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CONTENTS

11 March 1992

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

NORTHEAST ASIA

Japan

- IMF Head Urges Japan To Liberalize Farm Trade *[KYODO]* 1
- LDP By-Election Defeat Stirs Up Rice Debate *[KYODO]* 1
- Keidanren Urges Acceptance of Rice Tariffication *[KYODO]* 2
- Group: No Need To Revise Food Control Law *[KYODO]* 2
- Panel Warns About Global Trade Disintegration *[KYODO]* 2
- Okita Criticizes U.S on Business System Stance *[KYODO]* 3
- Matsushita To Overhaul Sales Affiliate Network *[KYODO]* 3
- PRC's Signing of Nuclear Accord Welcomed *[KYODO]* 4
- Environmental Consultations Planned With PRC *[KYODO]* 4
- Ministerial Talks With PRC To Begin 16 Mar *[KYODO]* 4
- Center To Prevent Nuclear Proliferation Welcomed *[KYODO]* 4
- Burma Told of Concern About Refugee Exodus *[KYODO]* 5
- Tokyo Asked To Fund One-Third of Cambodia Costs *[KYODO]* 5
- Akashi Urges Manpower Contribution to UN *[KYODO]* 6
- Business Lobby Delegation Leaves for Europe *[KYODO]* 6
- ESA Agrees To Cooperate on Space Shuttles *[KYODO]* 6
- No Plans To Send Aid Workers Back to Peru *[KYODO]* 7
- Finance Official Views Widening Trade Surplus *[KYODO]* 7
- Subcommittee Agrees on Revision of Election Law *[KYODO]* 7
- SDP, Komeito Urge Party Summit Reform Meeting *[KYODO]* 8
- Former Minister Admits to Cash From Mariya *[KYODO]* 8
- SDP Member Ueno Offers Diet Resignation *[KYODO]* 8
    - Ueno's Resignation Accepted *[KYODO]* 9
- Miyazawa, Kato Comment on Abe Resignation Issue *[Tokyo TV]* 9
- SDP Legislator Denies Giving Favor to Sagawa *[KYODO]* 9
- Tokyo Approves Bill To Allow Rescue Missions *[KYODO]* 10
- Opposition Proposes Tax, Defense Spending Cuts *[KYODO]* 10
    - Not To Specify Defense Cut Figure *[KYODO]* 11
- New GSDF Chief of Staff To Assume Duties *[KYODO]* 11
- Government Said Ready To Stem Economic Slowdown *[KYODO]* 11
- Miyazawa Vows 'Comprehensive' Plan for Economy *[KYODO]* 11
- Insurance Firms' Dividends To Be Liberalized *[KYODO]* 11
- Yamagishi: Unions To Step Up Wage Hike Demands *[KYODO]* 12
- Panel Proposes Abolition of Shipbuilding Cartel *[KYODO]* 12
- Telecom Firms Urged To Up Capital Investment *[KYODO]* 12
- Satellite Communications Service Rivalry Viewed *[KYODO]* 13
- LDP Endorses Nitrogen Dioxide Standards Bill *[KYODO]* 13
- Commission Says Old-Reactor Safety Urgent Task *[KYODO]* 13
- Experimental Raising of Bluefin Tuna To Start *[KYODO]* 14
- Sensitive Thin-Film Brain-Wave Meter Developed *[KYODO]* 14

North Korea

- Sixth North-South Contact Held 10 Mar *[Pyongyang Radio]* 14
- Commentary Urges Inspection of Nuclear Depot *[Pyongyang Radio]* 16
- Paper Criticizes U.S. 'One Superpower' Plan *[KCNA]* 17
- Paper Urges Equality in International Relations *[KCNA]* 17
- Living Standards in Mountain Regions Improving *[KULLOJA Nov]* 18

South Korea

Military Expert Urges N-S Troop Reductions *[THE KOREA HERALD 11 Mar]* 23
Diplomats Pledge To Support Unification *[YONHAP]* 24
Government Official on North's Tourism *[Seoul Radio]* 24
Opposition Announces National Constituency *[THE KOREA HERALD 11 Mar]* 24
    Nominees Examined *[THE KOREA TIMES 11 Mar]* 26
Dissident Group Fields Assembly Candidates *[THE KOREA HERALD 11 Mar]* 26
Students Arrested for Illegal Campaigning *[THE KOREA TIMES 11 Mar]* 26
Campaigning Distorts Money Flow, Interest Rates *[THE KOREA HERALD 11 Mar]* 27
Attacks on Offices, 'Mudslinging' Continues *[THE KOREA HERALD 11 Mar]* 27
Editorial Slams Hyundai's Suspended Advertising *[SEOUL SINMUN 9 Mar]* 28
Military Instructed To Preserve Neutrality *[THE KOREA HERALD 11 Mar]* 29
Envoy to Russia on Amity Pact, Military Ties *[YONHAP]* 29
Russian Chamber of Commerce Official Interviewed *[CHOSON ILBO 7 Mar]* 30
Russian Foreign Minister To Visit 18-20 Mar *[YONHAP]* 30
PRC Businessmen To Receive Multiple-Entry Visas *[YONHAP]* 31
Technology Minister Meets Counterpart in Beijing *[Seoul Radio]* 31
PRC To Use Official Name, Flag at Trade Show *[THE KOREA HERALD 10 Mar]* 31
* Concern Over Troubled Economy Increases 31
    * Basic Problems Need Correction *[CHUGAN MAEGYONG 13 Nov]* 31
    * Rising Consumer Prices Noted *[CHUGAN MAEGYONG 13 Nov]* 33
    * International Trade Deficit *[CHUGAN MAEGYONG 13 Nov]* 35
    * Means for Resuming Growth *[CHUGAN MAEGYONG 13 Nov]* 38

SOUTHEAST ASIA

Brunei, Malaysia & Singapore

Malaysia

Burmese Muslim Exodus Termed Great 'Tragedy' *[Kuala Lumpur International]* 40
    Envoy Summoned Over 'Oppression' *[Kuala Lumpur International]* 40

Singapore

Russian Parliamentary Team Pays Visit *[THE STRAITS TIMES 9 Mar]* 41

Cambodia

U.S. Assistant Secretary of State Arrives *[SPK]* 41
    Consults With Hun Sen *[Phnom Penh Radio]* 41
UN Envoy Kibria Holds Talks With Hun Sen *[Phnom Penh Radio]* 41
    Meets Sihanouk, Hor Namhong; Departs *[Phnom Penh Radio]* 42
Deputy Prime Minister Meets Russian Ambassador *[Phnom Penh Radio]* 42
Tie Banh Assures Indonesian Forces of Cooperation *[SPK]* 42
Two Recent Sihanouk Speeches Reported 42
    Addresses Liberated Zone *[Radio VOK]* 42
    Addresses Buddhist Monks *[Phnom Penh Radio]* 45
Sihanouk Thanks Butrus Ghali for Resolution 745 *[Phnom Penh Radio]* 47
Sihanouk Approves Forming Human Rights Group *[AFP]* 48
Peasants Petition Sihanouk on Land Expropriation *[Radio VOK]* 48
KPNLF Editor Wounded by Gunfire in Phnom Penh *[Radio VOK]* 48
Desertion of Opposition Troops Reported *[Phnom Penh Radio]* 49
SRV Said Bringing War Materiel to Kompong Thom *[Radio VGNUFC]* 49

Indonesia

Portuguese 'Peace' Ship Heeds No-Entry Warning *[Jakarta Radio]* 49
    Diversion Details Reported *[Jakarta Radio]* 49

Timor Governor Against Ship Entry *[ANTARA]* 50
Spokesman on Portugal's Role *[ANTARA]* 51
Suharto, Pakistani Minister Meet, View Kashmir *[Jakarta Radio]* 51
Role in SRV's Quest for New Markets Examined *[Bangkok BANGKOK POST 7 Mar]* 51

Laos

Richard Solomon Pays Working Visit 5 Mar 52
Received by Prime Minister *[KPL]* 52
Greeted by Foreign Minister *[KPL]* 53
Kaysone Phomvihan Receives Burma's U Ohn Gyaw *[Vientiane Radio]* 53
Phoun Sipaseut Receives New Austrian Envoy *[Vientiane Radio]* 53
Khamtai Siphandon Receives Thai, Burmese Guests *[KPL]* 53
Khamtai Siphandon Tours Luang Namtha 8-9 Mar *[Vientiane Radio]* 54
Burmese, UN Drug Officials Visit Luang Namtha *[Vientiane Radio]* 54
Front Delegation Calls on PRC Leaders *[Vientiane Radio]* 54

Philippines

Cable, Wireless Interested in Subic Conversion *[PHILIPPINE DAILY INQUIRER 9 Mar]* 54
Subic Not To Be Used for Military Ship Repair *[MALAYA 9 Mar]* 55
Leftists Assail Government on Westinghouse Deal *[PHILIPPINE DAILY INQUIRER 8 Mar]* 55
NPA Spokesman Denies Kidnapping of American *[PHILIPPINES NEWSDAY 11 Mar]* 56
'Experts' To Ensure Bataan Nuclear Plant Safety *[PHILIPPINE DAILY INQUIRER 11 Mar]* 57
Aquino Thanks Japan for Flood Warning System *[Quezon City Radio]* 57
Armed Forces Chief Leaves for South Korea *[THE CHRONICLE 11 Mar]* 57
Inadequate Patent Laws Risk Retaliatory Measures *[BUSINESS WORLD 11 Mar]* 58
Central Bank Reveals Balance of Payments Surplus *[THE CHRONICLE 11 Mar]* 58
Naval, Air Base in Mindoro Occidental Proposed *[THE MANILA CHRONICLE 11 Mar]* 59
Exercise Confirms 'Most Primitive Navy' *[PHILIPPINE DAILY INQUIRER 9 Mar]* 59
Aquino Declines Comment on Ramos Coup Charge *[THE CHRONICLE 11 Mar]* 60

Thailand

Decisions on Civil, Military Purchases Deferred *[THE NATION 11 Mar]* 60
Anan: Continued Growth Requires Environmentalism *[BANGKOK POST 10 Mar]* 61
Economic Commission Meeting With China Opens *[Radio VOFA]* 62
Mexico Agrees To Adhere to GATT Principles *[THE NATION 11 Mar]* 62
Humanitarian Aid Given to 6,500 Burmese *[Bangkok Radio]* 62
Phalang Tham Party Platform Summarized *[THE NATION 10 Mar]* 62
Two Burmese, One Thai Wounded in Mon Attack *[AFP]* 65
Shooting Incidents on Malaysian Border Reported *[Bangkok TV]* 65

Vietnam

Joint U.S MIA Search Team Flies to Coc Hamlet *[Hanoi Radio]* 65
Commentary on Recent Investigation *[Hanoi International]* 66
Commentary Reviews Diplomatic Achievements *[Hanoi International]* 66
People Contribute Views to Draft Constitution *[Hanoi International]* 67
Do Muoi on Role of Intellectuals in Party *[VNA]* 67
Bac Thai Evaluates Quality of Party Members *[Hanoi Radio]* 68
Vice Premier: Better Banking Can Curb Inflation *[VNA]* 68
Chemical Corps Holds Meeting To Review Work *[Hanoi Radio]* 68
Aquatic Industry Grows in Mekong River Delta *[VNA]* 68
Radio Reports Free Market Prices on 9 Mar *[Hanoi Radio]* 69
Nguyen Thi Dinh on Corruption, Smuggling *[TAP CHI QUOC PHONG TOAN DAN Jan]* 69

AUSTRALASIA

Australia

Tensions Continue in Wake of Dili Massacre 73
  Report Tracks 'Protest Ship' *[Melbourne Radio]* 73
  Keating Visit To 'Offset Tension' *[AFP]* 73

Japan

IMF Head Urges Japan To Liberalize Farm Trade

OW1003082892 Tokyo KYODO in English 0807 GMT 10 Mar 92

[Text] Osaka, March 10 KYODO—International Monetary Fund Managing Director Michel Camdessus on Tuesday urged Japan to liberalize its farm trade to help bring about a breakthrough in the stalled Uruguay Round of global trade talks.

In a prepared text of his address to the Kansai Economic Federation and the Osaka Bankers Federation on the medium-term strategies of major industrial nations, Camdessus said Japan should show leadership in the "multilateral efforts against protectionism."

He said that despite past import liberalization on some farm products, "Japanese agriculture is highly, and expensively, protected, and substantial liberalization in agriculture would bring important gains in economic well-being for the Japanese population."

Opening the agricultural market requires "difficult decisions and a willingness to face up to vested interests and place the common good above the special pleading of particular sectors that wish to avoid competition," Camdessus said.

Success in the Uruguay Round is "a must," he said, because failure would cause "immense harm to all."

Camdessus also urged Japan to step up its official development assistance (ODA) to poorer countries.

"What better indication could there be of Japan's leadership than to double Japan's ODA to GNP (gross national product) ratio in line with the United Nations target of 0.7 percent?" He asked.

Camdessus noted the ratio in 1990 was only about one-third of 1 percent, or "a little below the average" for member nations of the organization for economic cooperation and development, a club of rich nations.

While expressing appreciation for Japan's financial "contributions to global progress," he said Japan's ODA in yen terms has risen only slightly in relation to its gross national product in recent years.

Camdessus said Japan should increase its ODA "perhaps in competition with, say, the Scandinavian countries, which have also maintained relatively low levels of military assistance and placed more emphasis on providing a high level of civilian forms of assistance to developing countries."

LDP By-Election Defeat Stirs Up Rice Debate

OW0903133692 Tokyo KYODO in English 1223 GMT 9 Mar 92

[Text] Tokyo, March 9 KYODO—The ruling Liberal Democractic Party's [LDP] defeat in Sunday's parliamentary by-election in the rice-growing Miyagi Prefecture is stirring up debate over rice, but there is no sign that top agricultural officials have changed their minds on maintaining Japan's ban on rice imports.

The opposition victory came in spite of LDP candidate Nobuo Onodera's pledge to keep the nation's ban on rice imports, as one of the major issues in the election had been whether the government would maintain the ban.

And many officials at the Ministry of Agriculture, Forestry, and Fisheries believe the opposition victory suggests rice growers' strong criticism of the nation's agricultural policy, because the LDP candicate attracted a light vote in one of the main rice-growing cities.

One senior ministry official even noted that the election results indicate farmers understand Japan has no choice but to accept a proposal to replace the ban with tariffs sooner or later.

"What they (farmers) really want is to know the real situation and future prospects for rice," said the official, who has been critical of the government's policy of sticking to its ban on rice imports when negotiating new global trade rules under the General Agreement on Tariffs and Trade (GATT).

GATT Director General Arthur Dunkel has proposed that all import bans and quotas be replaced with tariffs that could be reduced gradually, but Tokyo has rejected that proposal despite mixed signals from government officials.

Under pressure from the LDP, which traditionally depends heavily on voters in rice-growing districts, top officials within the ministry particularly have defended the rice import ban and have not spoken officially of the possibility of opening the rice market.

Because of this, they virtually have shut out debate on the potential impact on domestic rice farmers of accepting the tariffication proposal and on subsequent measures to protect them.

But a view dominant in the rank-and-file within the ministry is that the only thing Japan can do is to delay its decision on whether to accept the tariffication proposal with regard to rice.

"We can only delay that decision. The time will come sooner or later to make a final decision," said one ministry official.

But higher-ranking officials have still stuck to the idea that negotiators must distinguish between what they really think and what is needed.

"If debate begins domestically on what is really needed, foreign countries will see through our intentions," one top ministry official said.

Keidanren Urges Acceptance of Rice Tariffication

OW1003083492 Tokyo KYODO in English 0801 GMT 10 Mar 92

[Text] Tokyo, March 10 KYODO—Japan's most powerful business organization suggested Tuesday the government make a decision to open the rice market to bring the ongoing Uruguay Round of world trade talks to a successful conclusion.

The Federation of Economic Organizations (Keidanren) said the stalled negotiations have to be brought to a successful conclusion at all costs since the current round is the last opportunity of defending the free trade system.

The appeal said that no sanctuaries should be established in bringing about a successful conclusion to the negotiations, indicating Japan should accept a proposal to replace the existing ban on rice imports with tariffs.

A failure of the trade negotiations will result in the emergence of protectionist moves, hindering the growth of the world economy, it said.

The federation defended as a practical approach to promoting free trade a proposal by Arthur Dunkel, director general of the General Agreement on Tariffs and Trade (GATT), to break the impasse in farm trade talks.

Dunkel's proposal calls for tariffication of farm trade without exceptions.

If Japan obstinately refuses to open its rice market, the federation warned, it would suffer a heavy blow under the GATT rules and the U.S. trade law.

The Japanese Government has resisted growing pressure to open its rice market, insisting on its policy of self-sufficiency in rice production.

Group: No Need To Revise Food Control Law

OW1003125692 Tokyo KYODO in English 1209 GMT 10 Mar 92

[Text] Tokyo, March 10 KYODO—Japan could accept a proposal to replace its ban on rice imports with tariffs without revising the Food Control Law that bans nearly all commercial rice imports, a private advisory group says.

The group, headed by Seijo University President Ichiro Kato, made the assessment under his name in a report recently presented to the director general of the Foreign Ministry's Economic Affairs Bureau, according to ministry officials.

The report cites a past case in which the government partly allowed regulation-free distribution of rice without altering the law, under which the government can control all supplies of rice.

Even if rice is subjected to tariffs in exchange for lifting the import ban, the government could control all supplies of rice under the law, the report concludes.

The issue of whether the government has to revise the law if it accepts the so-called tariffication proposal in global trade talks has been a major topic. Some government officials contend a revision of the law will be needed if Tokyo accepts the proposal.

Arthur Dunkel, director general of the General Agreement on Tariffs and Trade (GATT), unveiled the proposal in December as part of new free-trade rules discussed under the Uruguay Round of GATT-sponsored trade negotiations.

The Japanese Government has rejected that proposal so far on the ground that Tokyo should be allowed to maintain the import ban for self-sufficiency in the country's staple food.

Panel Warns About Global Trade Disintegration

OW1103152892 Tokyo KYODO in English 1441 GMT 11 Mar 92

[Text] Tokyo, March 11 KYODO—An international panel of former government leaders warned Wednesday that the global trading system may start to disintegrate if world leaders fail to assign a higher priority to world trade talks.

If there is no agreement on the Uruguay Round of multilateral trade talks, protectionism will grow in Europe, former West German Chancellor Helmut Schmidt told a symposium on world trends in the 1990s.

Protectionism in Europe could set off a chain reaction in Asia, said former Japanese Foreign Minister Saburo Okita.

Asia is a dynamic region and must remain open, Okita said.

Robert Hormats, who served as former assistant secretary of state for economic and business affairs under U.S. President Ronald Reagan, said that politicians in Europe and the United States mistakenly regard the Uruguay Round as a third- or fourth-tier policy priority.

The talks have been stalled over agricultural issues, and several of the panelists said in strong terms that agriculture ministers should be excluded from the negotiations.

Unless the U.S., Japan and Western Europe are able to agree to multilateral trade rules in the next few years, regions may turn inward, Hormats said.

Hormats, currently an executive at Goldman Sachs International, said it is possible for the U.S. to devote more resources to its domestic economic difficulties, while continuing to exercise its international responsibilities.

But he expressed concern that the American leadership is not paying sufficient attention to how to achieve a balance.

"Without American leadership, it is going to be very hard to make a global system work in the 1990s. I don't think any other country or region is capable of exercising global leadership," Hormats said.

Schmidt said he believed that the vitality of the U.S. remains among the highest of the world's nations, but it would take four to six years of "decisive leadership" for the U.S. to extract itself from its economic difficulties.

Homat noted that the U.S. must also be more willing to consult with Japan on geopolitical issues, rather than regarding Tokyo as a "checkbook power."

He suggested Japan and Germany be included in informal discussions among the five permanent members of the United Nations Security Council that are customarily held prior to official meetings.

Okita, meanwhile, suggested that the U.S. should not insist that other countries adapt to American business practices.

"The U.S. has said that the American system is the best and that whatever is different is pagan, so to speak, is alien. That stance is reflected in their recriminations on keiretsu," Japan's system of interlocking business relationships, he said.

The former foreign minister said that certain aspects of Japanese management have been effective, and advocated that countries take advantage of the best elements of all systems.

Okita Criticizes U.S. on Business System Stance

OW1103113892 Tokyo KYODO in English 1125 GMT 11 Mar 92

[Text] Tokyo, March 11 KYODO—Former Foreign Minister Saburo Okita said Wednesday the United States should not insist that its business system is "best" for the world.

"The U.S. has said that the American system is the best and that whatever is different is pagan, so to speak, is alien. That stance is reflected in their recriminations on Keiretsu," Japan's system of interlocking business relationships, Okita told an international symposium on trends in the 1990s.

While noting that the recent war of words by politicians in Japan and the United States has been counterproductive, Okita said it is wrong to "believe in one system, that this is the only viable system in the world."

"To unilaterally seek your own indigenous system is the wrong approach. I think we have to take the best elements of all possible approaches," Okita said, speaking through an interpreter.

The U.S. in bilateral trade talks has said Keiretsu relationships are a barrier to American trade and investment in Japan, and should be modified.

While in private Japanese leaders have indicated they do not regard demands to interfere with keiretsu relations as feasible, few have made public statements in defense of the system.

Others on the international panel of former government leaders had sharp words for politicians who have contributed to the recent spate of ascerbic exchanges between Japan and the United States.

"I've been a little shocked at the vehemence with which the rhetoric between Japan and America is being conducted at the present time," said former British Prime Minister James Callaghan.

"You'd both better stop it. The interests of the world demand that you should not carry on in this way," he said.

Matsushita To Overhaul Sales Affiliate Network

OW0903135692 Tokyo KYODO in English 1118 GMT 9 Mar 92

[Text] Osaka, March 9 KYODO—Matsushita Electric Industrial Co. said Monday it will overhaul its nationwide network of sales retailers from May in response to new guidelines laid down by the Fair Trade Commission.

The world's largest consumer electronics firm said about 27,000 retail affiliates across the nation will be reorganized into a new sales organization called Mast to meet the needs of a changing society.

Matsushita's network is the largest of its kind in Japan. It was organized in 1957 to promote sales of the company's "National" brand products.

The company said it will also simplify the complicated rebate system for retailers and abolish by the end of this month the existing savings-for-dividend system.

Under the latter system, member shops are required to set aside 1.0 percent of stocking costs to receive a 20-percent dividend per year.

The revision of the rebate system will be in line with the antimonopoly guidelines laid down by the commission last July.

The commission has come under growing pressure from the United States to implement Japan's Antimonopoly Law strictly in the wake of a series of trade negotiations aimed at removing nontariff trade barriers.

PRC's Signing of Nuclear Accord Welcomed

OW1103101492 Tokyo KYODO in English 1005 GMT 11 Mar 92

[Text] Tokyo, March 11 KYODO—Japan welcomes China's conclusion of an accord making it the 147th signatory to the Nuclear Nonproliferation Treaty (NPT), a Foreign Ministry spokesman said Wednesday.

Masamichi Hanabusa lauded the move as an "epoch-making step in the direction of realizing the common goal of mankind to strengthen the nuclear nonproliferation regime."

He said Japan hopes China will sincerely abide by its obligations as an NPT signatory.

Chinese Foreign Minister Qian Qichen formalized China's entry to the regime when he handed relevant documents to British Prime Minister John Major during a visit to London.

Britain is a so-called "depository country" of the NPT, along with the United States and Russia.

Last December, the Standing Committee of the National People's Congress, China's highest legislative body, voted to join the treaty.

The treaty was signed by its founding members in July 1968 and went into force in March 1970.

Japan had been pressing for China to join. China revealed its intent to do so last August when then Prime Minister Toshiki Kaifu visited Beijing and met Premier Li Peng.

Environmental Consultations Planned With PRC

OW1103104592 Tokyo KYODO in English 0911 GMT 11 Mar 92

[Text] Tokyo, March 11 KYODO—Japan and China will hold high-level talks in Tokyo next month on environmental and other bilateral issues, the Ministry of International Trade and Industry said Wednesday.

Discussions at the April 14-15 meeting will focus on Japanese cooperation to cope with acid rain and other environmental problems in China, ministry officials said.

Both sides will also exchange views on developing oil resources in China and the economic situations in each country, the officials said.

The meeting will be the 14th in a series of high-level consultations held between the two countries since 1980.

Japan will be represented by Yuji Tanahashi, vice minister of International Trade and Industry, while Ye Qing, vice minister of the State Planning Commission, will lead the Chinese side, the officials said.

Ministerial Talks With PRC To Begin 16 Mar

OW1103092492 Tokyo KYODO in English 0907 GMT 11 Mar 92

[Text] Tokyo, March 11 KYODO—China and Japan will hold working level talks between their foreign ministries next Monday in Beijing, Foreign Ministry officials said Wednesday.

The officials said the leader of the Japanese delegation to the talks, which are being held for the 12th time, will be Deputy Foreign Minister Kunihiko Saito.

The Chinese delegation will be headed by Vice Foreign Minister Xu Dunxin, they said.

The last such meeting was held in Tokyo in March 1991.

The talks will precede the scheduled official visit to Japan on April 6 to 10 by Chinese Communist Party General Secretary Jiang Zemin.

A top Foreign Ministry official said earlier this month that Japan intends at the talks to reiterate its displeasure over China's recent move to assert its declaration of sovereignty over the Senkaku Islands in Japan's possession.

Japan has protested at the Chinese people's assembly's promulgation February 26 of a law on territorial waters and adjacent waters, which states in part that the Senkaku Islands, referred to in Chinese as Diaoyutai, belong to China and will be defended as such.

The talks will also take in bilateral relations, including events to commemorate the 20th anniversary this year of the normalization of diplomatic ties. China is expected to reiterate its invitation to Emperor Akihito to visit this year.

Other key issues will be the Cambodian peace process, the situation on the Korean peninsula, including North Korea's intransigence on the question of international inspections of its nuclear facilities, and measures to prevent proliferation of weapons of mass destruction.

Center To Prevent Nuclear Proliferation Welcomed

OW1103123092 Tokyo KYODO in English 1157 GMT 11 Mar 92

[Text] Tokyo, March 11 KYODO—Foreign Minister Michio Watanabe on Wednesday welcomed a four-nation preliminary agreement on establishing a clearinghouse for former Soviet nuclear experts.

Watanabe said in a statement that Japan looks forward to the speedy commencement of the center's operations and strongly hopes it will contribute greatly to world peace and stability.

Japan, the United States, the European Community (EC), and Russia forged a consensus in a two-day ministerial meeting in Brussels to arrange for an international agreement by the end of the month to set up the International Science and Technology Center near Moscow.

The center aims to support peaceful research projects for over 2,000 core scientists and engineers involved in the production of weapons of mass destruction in the former Soviet Union, thus minimizing the incentive for them to work on such weapons programs abroad.

Japan did not pledge funds for the center, which has been roughly estimated to require 100 million dollars, but the U.S. and the EC each said they would put up 25 million dollars, while Russia offered to provide land, facilities, and services, officials said.

Burma Told of Concern About Refugee Exodus

OW1003132892 Tokyo KYODO in English 1242 GMT 10 Mar 92

[Text] Tokyo, March 10 KYODO—Japan has expressed its concern to Myanmar [Burma] over the massive flow of Muslim refugees across its border with Bangladesh, Foreign Ministry officials said Tuesday.

Foreign Ministry Spokesman Masamichi Hanabusa said Japan is "following the matter with serious concern."

He said Japan plans relief assistance for the refugees after the U.N. High Commissioner on Refugees (UNHCR) makes an international appeal based on a report it is now in the process of finalizing.

Refugees streaming into Bangladesh since last December, as many as 170,000 by some accounts, have been reported as saying they are fleeing persecution by Myanmar soldiers, who have allegedly killed civilians, raped women, and razed homes.

Officials said Japan's charge d'affaires at its embassy in Yangon [Rangoon], Matsuhiro Horiguchi, paid a call on the Myanmar Foreign Ministry last Thursday to express Japan's concern over the situation and receive an explanation.

The Japanese diplomat was told that the Muslims crossing Myanmar's border to Bangladesh from the western province of Arakan are "illegal immigrants" and that such flows have also occurred during past enforcement of immigration laws.

The Myanmar authorities "denied any wrongdoing was done in this connection," according to one ministry official.

The authorities said that if a list of the names of the refugees is submitted to Myanmar, they will check it with household lists to see if they are legal residents.

Last month Japanese diplomats in Dhaka were dispatched to southeastern Bangladesh to inspect refugee camps and consult with Bangladeshi officials and representatives of international organizations.

UNHCR, which has allocated some 1.1 million dollars to deal with the problem, plans to begin an airlift this week of food and essential equipment to the refugees and to start constructing a refugee camp large enough to accommodate 200,000 people.

Tokyo Asked To Fund One-Third of Cambodia Costs

OW1103043392 Tokyo KYODO in English 0402 GMT 11 Mar 92

[Text] Tokyo, March 11 KYODO—The top United Nations representative in Cambodia told Foreign Minister Michio Watanabe on Wednesday that the international community wants Japan to pick up one-third of the total costs to be incurred by U.N. operations in the war-ravaged country.

Foreign Ministry officials said Yasushi Akashi, head of the U.N. Transitional Authority in Cambodia (UNTAC), made the request.

Akashi was quoted as saying that there is a consensus in the United States and the rest of the international community that Japan shoulder a disproportionate financial burden along the lines of one-third "of all the costs related to UNTAC."

Officials said they assumed Akashi was referring to one-third of the total U.N. budget for Cambodia, including an estimated 1.9 billion dollars for UNTAC over an 18-month period, 100 million dollars for refugee repatriation and resettlement, and 800 million dollars for rehabilitation.

Japan is presently consulting with other concerned countries on ways to trim the costs for UNTAC, though it expects more will be required for refugee repatriation and resettlement.

Officials said Watanabe told Akashi Japan will initially pay 12.45 percent of the 200 million dollars in startup costs for UNTAC, or 24.9 million dollars, based on its assessed rate of contribution to the overall U.N. budget.

The foreign minister said Japan is prepared to pay a higher rate for refugee resettlement and economic reconstruction operations, which lie outside the UNTAC budget, though he did not indicate if it would agree to assume a larger share of the UNTAC budget itself.

UNTAC is expected to engage 15,900 troops, 4,400 civilians, and 3,600 police—the largest such operation in U.N. history.

Their duties will include disarming and demobilizing the armies of the four Cambodian factions, repatriating more than 370,000 refugees now in Thailand, and organizing and supervising elections tentatively scheduled for April or May in 1993.

Officials said Akashi noted that the U.S., in funding U.N. peacekeeping activities, is already paying more than its 25 percent assessed rate of contribution to the U.N. budget at around 30 percent.

Akashi was quoted as proposing on an "individual, friendly basis" that Japan make a more visible contribution to peacekeeping activities by perhaps backing a storage depot from which to procure needed supplies when operations are launched.

He also suggested that Japan set up a peacekeeping training center in this country. Officials said such a center, if realized, would likely include military training.

Prime Minister Kiichi Miyazawa said in talks with Akashi on Tuesday that in order to participate fully in U.N. peacekeeping activities in Cambodia, Japan would have to have passed through the current session of the Diet a bill envisaging that participation by the Self-Defense Forces (SDF).

But Akashi noted to Watanabe that Germany, which has similar constitutional restraints on the overseas dispatch of its military, has sent a medical contingent to the U.N. Advance Mission in Cambodia (UNAMIC).

Akashi said he would welcome Japan's sending civilian police officers to Cambodia and as many election observers as possible.

Akashi Urges Manpower Contribution to UN

OW1103144992 Tokyo KYODO in English 1431 GMT 11 Mar 92

[Text] Tokyo, March 11 KYODO—Yasushi Akashi, head of the United Nations Transitional Authority in Cambodia (UNTAC), on Wednesday urged Japan to contribute manpower to U.N. peacekeeping operations in Cambodia, suggesting a possible dispatch of policemen.

Akashi made the remark at a series of separate meetings with opposition party chiefs and ruling Liberal Democratic Party [LDP] members in the House of Councillors.

Akashi told upper house LDP members that it is time for Japan to erase "the stigma" of dispatching its people only to safe places.

Commenting on Japan's role in U.N. peacekeeping operations in Cambodia, Akashi also said he hopes Japan would contribute to the peacekeeping activities in Cambodia in a manner within the limits permitted by Japan's war-renouncing Constitution.

But Akashi said the U.N. is not in a position to interfere in the ongoing deliberations of the government-proposed U.N. peace cooperation bill at the current Diet session.

In a separate meeting with Democratic Socialist Party Chairman Keigo Ouchi, Akashi suggested Japan send relief personnel as the second dispatch of U.N. peacekeeping teams, six months after the first dispatch of such teams scheduled for April or May.

The UNTAC chief also told Makoto Tanabe, chairman of the opposition Social Democratic Party, that it is possible for Japan to send civilian police officers to Cambodia even if the Diet does not pass a bill authorizing dispatch of Self-Defense Forces (SDF) personnel.

Akashi said Cambodia needs policemen and that the U.N. might ask Japan to send some to Cambodia.

Earlier in the day, Akashi told Foreign Minister Michio Watanabe that the international community wants Japan to pay for one-third of the total costs incurred by U.N. operations in Cambodia.

The total cost of the U.N.'s 18-month operations in Cambodia is estimated at 1.9 billion dollars.

After Akashi's meeting with Watanabe, Chief Cabinet Secretary Koichi Kato said at a regular news conference that Japan should contribute to U.N. operations in Cambodia in accordance with the fact that both nations are located in Asia.

Business Lobby Delegation Leaves for Europe

OW0803054892 Tokyo KYODO in English 0518 GMT 8 Mar 92

[Text] Tokyo, March 8 KYODO—A delegation of the Federation of Economic Organizations (Keidanren), Japan's most powerful business lobby, left for Paris on Sunday to tour France, Italy, Spain, and Portugal.

The delegation, led by Keidanren Chairman Gaishi Hiraiwa, will meet French President Francois Mitterrand and other political and business leaders in the four European countries to discuss economic friction between Japan and the European Community.

Hiraiwa is accompanied by seven Keidanren vice chairmen including Sony Corp. Chairman Akio Morita and Toyota Motor Corp. President Shoichiro Toyoda.

The delegation is scheduled to return home March 21.

ESA Agrees To Cooperate on Space Shuttles

OW1103063292 Tokyo KYODO in English 0600 GMT 11 Mar 92

[Text] Tokyo, March 11 KYODO—Japan agreed Wednesday with the European Space Agency (ESA) on technological cooperation in developing space shuttles, Japanese officials said.

ESA Director Jean-Marie Luton, now visiting Japan, reached the agreement with Kanzo Tanigawa, director general of the Science and Technology Agency, the officials said.

They said Japan and the ESA will cooperate in the development of Japan's Hope and the European Hermes space shuttles.

The agreement, however, is unlikely to lead to joint development of spacecraft, the officials said.

The agreement also covers development of manned space stations and Earth observation missions, the officials said.

The Paris-based ESA promotes cooperation among European nations in space research and technology and their applications for peaceful purposes.

No Plans To Send Aid Workers Back to Peru

OW0903133492 Tokyo KYODO in English 0851 GMT 9 Mar 92

[Text] Tokyo, March 9 KYODO—Japan will not offer during Peruvian President Alberto Fujimori's visit here next week to send back aid workers pulled out of Peru last year for security reasons, Foreign Ministry sources said Monday.

The sources said Fujimori, who arrives in Japan on Sunday on a weeklong official visit, will possibly reiterate Peru's wish to have the hands-on aid program resumed during his talks with Prime Minister Kiichi Miyazawa on March 17.

They said despite Peru's desire for Japanese technical experts and volunteers and its regret over their withdrawal last August, there are no visible signs guerrilla activity is on the wane, while concern remains about the targeting of ethnic Japanese by rebels.

To compensate for not dispatching technical experts to Peru, the sources said, it may be announced during Fujimori's visit that Japan will accept an increased number of Peruvian technical trainees at facilities of the Japan International Cooperation Agency (JICA).

Such a proposal was made last July during a visit to Japan by Peruvian Agriculture Minister Enrique Rossl, who came as a special emissary of Fujimori to express Peru's regret for the July 12 slaying of three JICA agricultural experts by ultraleftist guerrillas.

On July 27, shortly after the murders of the JICA experts and following a series of other terrorist attacks on Japanese and Japanese-Peruvians, Japan announced the temporary withdrawal of 91 JICA experts, volunteers, and staff.

Only four remain in Lima to coordinate Japanese technical assistance.

Japan has accepted about 100 Peruvian trainees over the past few years. Several thousands of Peruvian-Japanese are working in Japanese companies, taking advantage of a special visa status accorded them when an immigration law was changed two years ago.

Finance Official Views Widening Trade Surplus

OW1103104492 Tokyo KYODO in English 1007 GMT 11 Mar 92

[Text] Tokyo, March 11 KYODO—Japan's widening trade surplus is a source of "headache" to the government, a top Finance Ministry official said Wednesday.

"Frankly speaking, we feel a headache," the official, who wants to be unidentified, said, referring to the unabated widening of the nation's trade surplus.

The official was asked to comment on customs-cleared trade statistics for February showing Japan's trade surplus doubled from a year earlier to a record 10.23 billion dollars.

He attributed the surplus to increased exports of automobiles, ships, and semiconductor chips, and to lower imported crude oil prices.

The official said he does not expect the surplus to expand constantly as in the past, but was quick to say that the current weakening of the yen against the dollar could theoretically boost exports further.

Subcommittee Agrees on Revision of Election Law

OW1003141592 Tokyo KYODO in English 1353 GMT 10 Mar 92

[Text] Tokyo, March 10 KYODO—A subcommittee of the ruling Liberal Democratic Party (LDP) agreed Tuesday to revise the Public Office Election Law in a bid to reduce the influence of money in elections, party officials said.

The agreement was made at a meeting of the LDP political headquarters subcommittee on the election law, chaired by Diet member Hajime Ishii, the officials said.

The plan calls for the suspension from the Diet of politicians given suspended sentences for crimes other than election violations, such as bribery, they said.

It also urges stricter penalties for Diet members under the guilty-by-association system, under which politicians can be charged for election violations by their campaign managers, chief accountants, and parents.

Such penalties would include nullifying their election and preventing them from being candidates again for five years.

A final decision on whether the guilty-by-association system should also cover candidates' secretaries will be made by Ishii following negotiations with the LDP leadership, the officials said.

Also under the plan, putting up campaign posters prior to the official beginning of an election campaign period will be banned.

It additionally seeks to shorten by two or three days the period of campaigns for both houses of the Diet.

Election campaigns are currently set at 15 days for the House of Representatives and 18 days for the House of Councillors.

The plan seeks to speed up trials for election law violations by allowing presiding judges to make multiple-trial timetables.

The LDP will later discuss the plan, together with political reform programs in other areas, with opposition parties, the officials said.

SDP, Komeito Urge Party Summit Reform Meeting

OW0903134592 Tokyo KYODO in English 1221 GMT 9 Mar 92

[Text] Kumamoto, March 9 KYODO—Social Democratic Party (SDP) Chairman Makoto Tanabe and Komeito Chairman Koshiro Ishida agreed on Monday to call for a summit meeting on political reform by Prime Minister Kiichi Miyazawa and opposition parties.

The largest and second-largest opposition group leaders reached the agreement in a meeting in Kumamoto. They visited the city as part of their political campaigns.

Tanabe said he will urge holding such a summit meeting when the ruling Liberal Democratic Party and opposition parties fail to make progress in drafting a political reform plan.

Ishida agreed with Tanabe, saying the opposition parties should gain some ground on political reform.

In addition, Tanabe and Ishida agreed to hold their summit in mid March, shortly after the fiscal 1992 budget bill passes the House of Representatives.

Of the possible dissolution of the lower house, Tanabe told reporters that it is likely that simultaneous elections of both housese will be held. The House of Councillors election is to be held in July.

In Tamana, near Kumamoto, Ishida told reporters there is a possibility of a simultaneous election, but it will be difficult for Miyazawa to dissolve the lower house to hold a general election because he will have to resign should there be a major setback for his party.

Former Minister Admits to Cash From Mariya

OW1103091392 Tokyo KYODO in English 0833 GMT 11 Mar 92

[Text] Tokyo, March 11 KYODO—Former Construction Minister Kosei Amano admitted Wednesday he receives an "advisory fee" from a resort developer whose de facto owner has been arrested for alleged drug possession.

Amano, a former member of the House of Representatives from the Liberal Democratic Party (LDP), acknowledged to reporters he receives an advisory fee every month from the Tokyo-based resort development company Mariya Corp. but refused to disclose the sum.

He said he became an adviser to the company after losing his seat in the general election of 1990 and retiring from the political world.

Sources close to Mariya said the company pays 2.5 million yen a month to Amano as an advisory fee and also pays 500,000 yen monthly to his son, who is his driver.

Mariya's de facto owner Toshio Someya, 47, was arrested February 1 on suspicion of violating the Stimulant Drug Control Law.

The sources said Someya always consulted Amano when he needed political influence to win approval for developing golf courses.

Mariya owns two golf courses in Chiba Prefecture and is planning to build two other courses.

Earlier Wednesday the Social Democratic Party (SDP) accepted the resignation of lower house legislator Kenichi Ueno, who admitted asking Mariya for various favors, including puchasing fund-raising tickets and paying his expenses for an overseas trip.

Amano told reporters he planned and also accompanied Ueno on the trip and that Mariya paid all the expenses.

Amano was construction minister in the cabinet of former Prime Minister Yasuhiro Nakasone from 1986 to 1987.

SDP Member Ueno Offers Diet Resignation

OW1003133292 Tokyo KYODO in English 1316 GMT 10 Mar 92

[Text] Tokyo, March 10 KYODO—Social Democratic Party (SDP) legislator Kenichi Ueno tendered his resignation Tuesday amid suspicions he received money from a resort developing company whose owner has been arrested on drug charges, party sources said.

Ueno, a member of the House of Representatives from Chiba Prefecture, offered his resignation as a Diet member at the SDP headquarters, the sources said.

Top SDP executives will hold an emergency meeting Wednesday morning to discuss his offer.

The party is likely to accept Ueno's resignation, the sources said, because suspicions have also been raised that he received money from a scandal-tainted trucking firm, the Sagawa Kyubin Group.

In meeting SDP General Secretary Sadao Yamahana, Ueno admitted receiving at least some money from Mariya, a Tokyo-based resort developing company, the sources said.

He said he wants to step down to take responsibility for the suspicion cast upon him, considering his position as an opposition party member, who should be critical of the corruption of politics, they said.

According to investigative sources, Ueno allegedly received a few million yen from Mariya and later argued in the Diet in August 1991 against regulations that might have hindered some of the company's more questionable stock dealings.

The resort developing company also allegedly paid the SDP lawmaker's expenses for an overseas trip, the sources said.

Mariya's owner and former chairman Toshio Someya was arrested February 1 on a suspicion of violating the Drug Control Law.

Ueno's resignation will be a serious blow to the largest opposition party because of a succession of allegations about its members' involvement with Sagawa Kyubin, the party sources said.

In late February, SDP lower house member Kazuko Yoshida stepped down from the central executive committee over her alleged involvement with the company.

Another SDP House of Councillors member, Ryoichi Yasutsune, also acknowledged earlier this month that he borrowed 5 million yen in June 1989 from a Fukuoka-based subcontractor of the Sagawa Group.

Tokyo Sagawa Kyubin reportedly distributed a huge amount of money to politicians of both the ruling and opposition parties.

If Ueno resigns, it will be the first time for an SDP member to step down as a Diet member since Takumi Ueda did so in October 1988 over the stocks-for-favors Recruit scandal.

Ueno's Resignation Accepted

OW1103035192 Tokyo KYODO in English 0156 GMT 11 Mar 92

[Text] Tokyo, March 11 KYODO—The Social Democratic Party (SDP) on Wednesday accepted the resignation of one of its legislators, Kenichi Ueno, who has acknowledged receiving millions of yen from a resort developer, party officials said Wednesday.

They said SDP Chairman Makoto Tanabe and other party leaders met in an emergency session Wednesday morning to rubber-stamp Ueno's departure from the nation's largest opposition party and from the House of Representatives.

Ueno tendered his resignation to the party Tuesday, saying he had requested Tokyo-based resort development company Mariya to purchase 3.4 million yen worth of fund-raising party tickets for another legislator.

Ueno also acknowledged asking Mariya for other favors, including renting two houses in Chiba Prefecture, his constituency, for an unusually low price of 300,000 yen a month.

Miyazawa, Kato Comment on Abe Resignation Issue

OW1103080992 Tokyo NHK General Television Network in Japanese 0300 GMT 11 Feb 92

[Text] Mr. Ueno of the main opposition Social Democratic Party of Japan has decided to resign as a legislator.

Asked by reporters this morning how Ueno's resignation will affect legislator Fumio Abe who has been indicted on charges of involvement in the Kyowa financial scandal, Prime Minister Miyazawa said that the resignation of a legislator is a matter to be decided by himself.

Asked by reporters about the impact of the question of Mr. Abe's resignation on the future talks between the ruling and opposition parties on the political reform, the prime minister said that the question should be treated as a separate matter and we should promote the political reform by all means. In this way, the prime minister stressed that the government and the ruling Liberal Democratic Party would promote the political reform separately from the question of the resignation of Mr. Abe who has been implicated in the Kyowa financial scandal.

Asked by reporters about the question of the resignation of Mr. Abe who has been indicted on charges of involvement in the Kyowa financial scandal at a news conference this morning, Chief Cabinet Secretary Kato said that as for how Mr. Abe should take responsibility for what he has done, he should make a decision on it, taking into account the relationship of trust between him and his electorate, and it is improper for the government to make any comments on that question.

SDP Legislator Denies Giving Favor to Sagawa

OW0903142892 Tokyo KYODO in English 1356 GMT 9 Mar 92

[Text] Tokyo, March 9 KYODO—A Social Democratic Party (SDP) legislator on Monday denied a press report that he had been asked by a subcontractor of the scandal-tainted Sagawa Kyubin Group to tone down his Diet questions on matters related to the company.

Ryoichi Yasutsune, an SDP member in the House of Councillors, admitted that he borrowed 5 million yen in June 1989 from a Fukuoka-based subcontractor of the Sagawa Group.

However, he categorically denied press reports that the company urged him to tone down questions at the transport committee of the upper house.

Yasutsune said he called for improvement of the firm's prospectus even after he borrowed the money from the company and that he did not soften his investigation on the group.

He said he urged the government at the committee to penalize Sagawa Kyubin for allegedly evading taxes and circumventing laws curbing illicit overwork since 1986.

Reversing his earlier statement Yasutsune admitted he was acquainted with Hiroyasu Watanabe, former president of Tokyo Sagawa Kyubin Co., the second-largest trucking and parcel delivery company at the center of a massive loan and loan guaruantee scandal.

Prosecutors last Friday indicted Watanabe and three others on charges of aggravated breach of trust which resulted in a 64.5 billion yen loss for the parcel delivery company.

Tokyo Sagawa Kyubin reportedly distributed a huge amount of money to politicians in both ruling and opposition parties.

The SDP lawmaker said he was first introduced to Watanabe by "either a cabinet minister or a Liberal Democratic Party member" five or six years ago at a Tokyo restaurant, and had met Watanabe several times since then.

Yasutsune said at a union meeting last month that he had never met Watanabe.

He told reporters Monday that he had not received any money from Watanabe, and that he had never met Kiyoshi Sagawa, chairman of Sagawa Kyubin Group of trucking firms, and former group executive Masaaki Sagawa.

Tokyo Approves Bill To Allow Rescue Missions

OW1003034492 Tokyo KYODO in English 0226 GMT 10 Mar 92

[Text] Tokyo, March 10 KYODO—The government of Prime Minister Kiichi Miyazawa on Tuesday approved an amendment to Japan's Self-Defense Forces (SDF) law that would allow SDF aircraft to make overseas flights for the rescue of Japanese nationals in emergencies, officials said.

The cabinet will submit the bill to the current Diet session, the officials said.

The proposed legislation follows the purchase last year of two Boeing 747 jumbo jets for the exclusive use of the government. The jets, currently owned by the Prime Minister's Office, will be transferred to the Defense Agency's control in April.

The bill will authorize the Defense Agency director general to send SDF planes overseas upon a request by the foreign minister to rescue Japanese nationals abroad. It would also allow SDF planes to transport foreign nationals if they are in the same situation with Japanese.

The emergencies envisaged include such cases as natural disasters and conflicts, the officials said.

A Defense Agency official indicated no weapons would be carried on such overseas flights. "We won't make such an overseas rescue flight if we see the possibility of using weapons."

Opposition parties are expected to call for careful deliberations of the bill, political sources said. The Social Democratic Party and the Japanese Communist Party are basically opposed to the dispatch of SDF personnel overseas, the sources said.

Opposition Proposes Tax, Defense Spending Cuts

OW1003064392 Tokyo KYODO in English 0614 GMT 10 Mar 92

[Text] Tokyo, March 10 KYODO—Leaders of four opposition parties Tuesday proposed a tax cut of 370 billion yen and trimming of defense spending as part of a revision of the 72.22 trillion yen fiscal 1992 budget.

The proposal was adopted at a meeting of the leaders of the Social Democratic Party, Komeito, the Democratic Socialist Party, and the United Social Democratic Party, and was presented to the government and the ruling Liberal Democratic Party, officials said.

The plan also called for unspecified cuts in defense outlays in fiscal 1992.

As part of the tax-cut proposal, the parties urged that the ceiling of annual nontaxable income of part-time employees be raised to 1.1 million yen from the current 1 million yen.

On curtailment of defense spending, the opposition group called for a review of the National Defense Program Outline and the 22.75 trillion yen Mid-Term Defense Program for fiscal 1991 through 1995.

"The world situation has dramatically changed following the end of the cold war. (The government) should not make the defense budget a sanctuary, and should reduce defense spending in a way that is understandable to the people to promote disarmament in Asia and the rest of the world," the proposal said.

The government earmarked 4,551.8 billion yen for outlays in its 1992 defense budget, an increase of 165.8 billion yen, or 3.8 percent, from the fiscal 1991 initial defense budget, but the lowest growth rate since a 0.6 percent year-on-year rise in 1960.

Not To Specify Defense Cut Figure

OW0903134892 Tokyo KYODO in English 1155 GMT 9 Mar 92

[Text] Tokyo, March 9 KYODO—Leaders of four opposition parties decided Monday to jointly seek a reduction of defense outlays in the fiscal 1992 budget but not to specify a sum, party officials said.

The secretaries general of the Social Democratic Party (SDP), Komeito, the Democratic Socialist Party (DSP), and the United Social Democratic Party (USDP) agreed to call for a review of the national defense program outline and the 22.75 trillion yen mid-term defense program for fiscal 1991 through 1995.

However, Sadao Yamahana of the SDP, Yuichi Ichikawa of Komeito, Takashi Yonezawa of the DSP and Shogo Abe of the USDP failed to agree on how to address other points of contention, including tax cuts for part-timers and a review of the special corporation and consumption taxes.

They agreed to meet again on Tuesday, the officials said.

The four opposition parties leaders told a news conference they plan to submit their joint budget revision plan to the budget committee of the House of Representatives on Tuesday.

In the fiscal 1992 national budget totaling 72.22 trillion yen, defense expenditures amount to 4.55 trillion yen. The opposition camp, citing the end of the cold war and relaxation of tensions in the world, have been seeking a curtailment in defense spending.

New GSDF Chief of Staff To Assume Duties

OW1003013092 Tokyo KYODO in English 0039 GMT 10 Mar 92

[Text] Tokyo, March 10 KYODO—Gen. [General] Tetsuya Nishimoto will replace Gen. Atsushi Shima as chief of staff of the Ground Self-Defense Force [GSDF] on March 16, Defense Agency officials said Tuesday. Shima is retiring.

Nishimoto, 55, is a 1959 graduate of the National Defense Academy, and since March 1991 has served as the commanding general at the Chubu District Army Headquarters near Nagoya.

Government Said Ready To Stem Economic Slowdown

OW1003035492 Tokyo KYODO in English 0156 GMT 10 Mar 92

[Text] Tokyo, March 10 KYODO—Finance Minister Tsutomu Hata said Tuesday the government is ready to take appropriate steps to stem an excessive slowdown of the economy.

"We are well aware of the need for continuous care for the economy to prevent the adjustment process going too far, and to help the economy to take an upturn smoothly," he said at a press conference after a regular cabinet meeting.

Stressing that the current economic slowdown is a necessary process for shifting to sustainable growth, Hata said, "we are always watching carefully the economic conditions, and are ready to deal with the situation properly."

Hata also said the government is not considering any additional fiscal measures to support the economy at the moment.

The government recently announced a set of fiscal steps, including early implementation of public works projects, to boost the economy.

Concerning a tax reduction for part-time workers proposed by opposition parties, Hata said the government is unwilling to agree to such a proposal.

Four opposition parties are expected to make a joint proposal Tuesday for a revision in the budget bills, which will include tax cuts for part-time workers.

Hata said the taxes for part-time employees have already been lowered enough.

He also said such a step would widen the gap in household income between double-income families and single-income families.

Miyazawa Vows 'Comprehensive' Plan for Economy

OW1103042792 Tokyo KYODO in English 0403 GMT 11 Mar 92

[Text] Tokyo, March 11 KYODO—Prime Minister Kiichi Miyazawa, hit by sagging popularity and the ruling Liberal Democratic Party's losses in two national-level elections, said Wednesday he will unveil a comprehensive economic pump-priming package.

He made the remark in a meeting with reporters.

Insurance Firms' Dividends To Be Liberalized

OW0903064092 Tokyo KYODO in English 0612 GMT 9 Mar 92

[Text] Tokyo, March 9 KYODO—The Finance Ministry plans to conditionally liberalize dividend payments by life insurance companies to their clients as a way of promoting fair competition, ministry sources said Monday.

The sources said the present prior approval system will be abolished on the condition that insurance firms will calculate returns to policyholders on the basis of total revenue, covering both income gains from operations of their funds and capital gains, or earnings from sales of share holdings.

At present, life insurance companies are required to obtain the ministry's approval in advance of dividends paid to their clients. Insurance companies are not allowed to include capital gains in their reserves for dividends to clients.

The decontrol will allow insurers to create new products featuring various forms of returns to their clients, the sources said. The ministry will also ease controls on premiums on certain types of insurance policies, the sources said.

In accordance with the liberalization, the sources said, actuaries will be required to report to the ministry on measures taken by insurers to cope with risks.

The ministry plans to introduce the new dividend calculation system on a trial basis in fiscal 1992, which begins April 1.

Yamagishi: Unions To Step Up Wage Hike Demands

OW1103102092 Tokyo KYODO in English 0943 GMT 11 Mar 92

[Text] Tokyo, March 11 KYODO—The leader of Japan's largest trade union confederation said Wednesday unionists will step up demands for greater wage hikes and shorter working hours in order to keep Japan's pledge to help improve the world economy.

Speaking at the Japan National Press Club, Akira Yamagishi said obtaining those objectives "will boost individual consumer incentive, which is certain to achieve the government's target for fiscal 1992 economic growth of 3.5 percent."

Yamagishi, president of the 8-million-strong Japanese Trade Union Confederation (Rengo), said workers will be able to enjoy an affluent life only when the target economic growth is attained.

He said unions under the Rengo umbrella are determined to strike unless management meets their demands.

In this spring's labor negotiations, unionists are demanding an average of 8 percent in wage hikes for fiscal 1992 and a reduction in annual work time to 1,800 hours by fiscal 1993.

Japanese worked an average 2,016 hours in 1991, about 50 to 350 hours longer than their U.S. and West European counterparts.

Employers have said they cannot accept wage hikes of more than 2.5 percent because the Japanese economy is slowing down.

Yamagishi also demanded that Ryoichi Yasutsune, a Diet member of the Social Democratic Party (SDP), resign from the parliament. Yasutsune has admitted he borrowed 5 million yen from a subcontractor of the scandal-tainted Sagawa Kyubin Group.

On the House of Councillors election slated for July, Yamagishi said Rengo will step up its support for opposition parties, excluding the Japanese Communist Party, to ensure they continue to enjoy a majority in the upper house.

Panel Proposes Abolition of Shipbuilding Cartel

OW0903075392 Tokyo KYODO in English 0726 GMT 9 Mar 92

[Text] Tokyo, March 9 KYODO—A Transport Ministry panel has proposed the abolition of a virtual shipbuilding cartel in force for 24 years because of a growing demand for maritime transport capacity, ministry officials said Monday.

The proposal seeks the end of voluntary curbs on construction of coastal ships that have existed since 1968.

It was prepared by the Council for Rationalization of Shipping and Shipbuilding Industries and submitted to Transport Minister Keiwa Okuda on Monday, the officials said.

In response to the proposal, the officials said, the ministry will substantially ease restrictions in April.

The council's proposal calls for a swift modal shift from trucks to coastal vessels as a means of transportation to help reduce air pollution, they said.

The proposal also notes a severe shortage of freighters in light of expanding coastal transportation.

Specifically, the council proposed postponing the scrapping of obsolete vessels and allowing shipowners to build new container ships and bulk carriers, including automobile transport and roll-on, roll-off freighters.

The council called for a total abolition of the cartel when reorganization of small shipping firms is completed to strengthen their business foundations, the officials said.

Telecom Firms Urged To Up Capital Investment

OW0903125992 Tokyo KYODO in English 0903 GMT 9 Mar 92

[Text] Tokyo, March 9 KYODO—Posts and Telecommunications Minister Hideo Watanabe urged executives of international and domestic telecommunications firms Monday to expand their capital investment plans for fiscal 1992 to help stimulate the domestic economy, ministry officials said.

Present at a meeting with Watanabe were Masashi Kojima, president of Nippon Telegraph and Telephone Corp. (NTT), Hiroshi Ichihara, president of Japan's leading international telecom company KDD, and

Koichi Sakata, head of the Telecommunications Carriers Association, who is also president of Japan Telecom Co., the officials said.

Kojima was quoted as saying the telecom giant will do whatever it can to comply with the request, they said.

The meeting was held in response to a decision by Prime Minister Kiichi Miyazawa at a cabinet meeting Friday to seek cooperation from utilities for the government's pump-priming measures, the officials said.

NTT has set aside 1.96 trillion yen for capital investment in fiscal 1992, which begins on April 1, up 4.0 percent from the current year.

KDD's capital investment has been projected to increase 11 percent to 74.4 billion yen, according to the company's financial program for the year.

Satellite Communications Service Rivalry Viewed

OW0903054692 Tokyo KYODO in English 0514 GMT 9 Mar 92

[Text] Tokyo, March 9 KYODO—Intense competition is expected in the Japanese satellite communications industry after the scheduled resumption of service by Space Communications Corp. (SCC) in early April, industry officials said Monday. Slow growth in demand for satellite service amid the nation's economic slowdown is expected to aggravate the rivalry.

SCC's Superbird B communications satellite, launched in late February from French Guiana in South America, went into geostationary orbit above the equator at 6 A.M. Friday. Officials of SCC, owned by the Mitsubishi Business Group, said the satellite, in orbit 36,000 kilometers above the equator and at 162 degrees east longitude, is being tested before starting service.

The resumption of service will lure 18 client companies back to SCC from the rival Japan Communications Satellite Co., 16 months after SCC suspended service in December 1990 when its Superbird A satellite broke down, the officials said. The suspension forced television broadcasters using the satellite to switch to Japan Communications' satellites.

The Superbird B has 25 transponders for commercial use and 21 of them will be contracted for use this year, SCC said. SCC plans to launch another satellite next December to expand its service.

Japan Communications Satellite operates two satellites with 64 transponders, 80 percent of them currently in use. Japan Communications expects to lose about 7 billion yen in annual transponder user fees when users of 11 transponders return to SCC, company officials said.

Industry competition is expected to escalate further in the coming years when two more communications satellites are launched, industry officials said. Satellite Japan Co., Japan's third satellite communications company owned by Nissho-Iwai Corp. and Sumitomo Corp., plans to launch its own satellite in 1994, and Nippon Telegraph and Telephone Corp. (NTT) is expected to follow suit in 1995.

LDP Endorses Nitrogen Dioxide Standards Bill

OW1003130492 Tokyo KYODO in English 1133 GMT 10 Mar 92

[Text] Tokyo, March 10 KYODO—A policy-making body of the ruling Liberal Democratic Party (LDP) on Tuesday gave its backing to a draft bill aimed at curbing emissions of nitrogen dioxide from diesel-powered vehicles, LDP officials said.

The decision was made at a meeting of the LDP Policy Affairs Research Council. The draft bill will be formally approved at a regular cabinet meeting Friday, LDP officials said.

The planned legislation, which is to be submitted to the current Diet session by the Environment Agency, will require that diesel-powered vehicles such as buses, trucks and passenger cars be replaced by more environment-friendly models in the three areas of Tokyo, Yokohama and Osaka.

With specific standards for the nitrogen dioxide emissions due to be laid down by a prime minister's office ordinance, the planned legislation will require that diesel vehicles weighing 2.5 tons or less be replaced by vehicles with gasoline or electric motors, the LDP officials said.

In the medium-size vehicle category, the legislation will urge that direct-injection diesel models of 5 tons or less be replaced with models with secondary-chamber engines which emit less nitrogen dioxide.

Under the new legislation, large direct-injection vehicles of more than 5 tons which are not replaced must meet new regulations for nitrogen dioxide emissions, or safety certificates will not be given.

The legislation will also call on industries which use large numbers of trucks to cut back on their use and to curb nitrogen dioxide emissions under guiding streamlining principles.

Although the guiding principles are to be prepared by such ministries as the Ministry of International Trade and Industry and the Transport Ministry, the Environment Agency will also be able to express opinions on them and call on the ministry concerned to give appropriate instructions and advice to truck-using industries, the legislation says.

Commission Says Old-Reactor Safety Urgent Task

OW0903132792 Tokyo KYODO in English 0822 GMT 9 Mar 92

[Text] Tokyo, March 9 KYODO—The Nuclear Safety Commission said Monday that maintaining the safety of old-fashioned reactors is an urgent task while calling for a partial revision of Japan's safety inspection system for nuclear power plants.

The commission had been probing a radiation leak accident at the Mihama nuclear power plant in Fukui Prefecture which occurred in February 1991.

The commission's report, compiled by a subcommittee on power reactors, proposes that electric power companies and the Ministry of International Trade and Industry (MITI) constantly examine decrepit reactors using new technologies and maintain the safety of important machineries in the reactors.

The report points out that new technologies devised by learning from past accidents were not applied as countermeasures against possible disasters in old-type reactors built 20 to 30 years ago.

Touching on the safety review, the report urged regarding accidents involving the breakage of thin tubes as something that may occur about once in a lifespan of each reactor. Such accidents are rare.

It also calls for setting up standards for steam generators, which play an important part in pressurized water reactors. It proposes criteria for a generator's design, construction and conservation of its operation.

Experimental Raising of Bluefin Tuna To Start

OW1103133992 Tokyo KYODO in English 1305 GMT 11 Mar 92

[Text] Tokyo, March 11 KYODO—Japan will start experimental raising of young bluefin tuna this year using large-scale round fish preserves, fisheries agency officials said Wednesday.

The agency aims to develop a new way to ensure Japan's harvest of bluefin tuna under existing international regulations, the officials said.

Japan's annual catch of bluefin tuna in 1990 amounted to 20,000 tons, one-third the 1981 catch of 58,000 tons, according to the agency.

The project apparently takes account of recent calls to protect bluefin tuna. At the current Kyoto meeting of the Convention on International Trade in Endangered Species (CITES), Sweden withdrew Tuesday a proposal to ban bluefin tuna fishing in the Atlantic Ocean.

An agency-affiliated body "Marino Forum 21" will conduct the four-year project to collect data for future practical use.

The project will use two types of net preserves, one 50 meters and the other 20 meters in diameter, which will be fixed to the seabed at a depth of 30 meters.

Several private institutions have been experimenting with bluefin tuna farming. At their facilities, as many as 40 percent of the tuna die through being crushed against the preserve nets, the officials said.

A major problem is to develop an anti-crushing device, they said, adding that the Marino Forum is now working on measures to protect bluefin tuna by using an air curtain and laser beam as a "cushion."

Sensitive Thin-Film Brain-Wave Meter Developed

OW0903142492 Tokyo KYODO in English 1355 GMT 9 Mar 92

[Text] Fukuoka, March 9 KYODO—A team of researchers from Kyushu University and two private firms has developed a highly sensitive magnetic brain-wave meter capable of detecting and analyzing even feeble brain-wave developments that cannot be detected by conventional meters, a team member said Monday.

Shogo Ueno, professor of electronics at the university, told Kyodo News Service the new system is a direct-current seven-channel thin-film SQUID magnetometer.

SQUID (a Superconducting Quantum Inteference Device) is a very sensitive device for measuring weak magnetic fields, typically consisting of a thin film of superconducting niobium placed around a small quartz rod.

Ueno said a similar system with the bulk-type SQUID had already been developed, but not a practical-level thin-film squid type.

The new magnetometer, made up of a thin-film SQUID brain-wave meter, including a data recorder-analyzer, and a magnetic shield room, was developed as a total system from the design stage by the team of researchers from the university, Seiko Instruments Inc. and Takenaka Corp., he said.

The new system, which is easily adjustable for measurements, will be effective in the early discovery of brain tumors, brain blood vessel troubles and epilepsy, Ueno said, adding that it might well be available commercially from late this year.

He said he would like to use the new system in brain science research, in areas like the brain's memory and recognition functions.

North Korea

Sixth North-South Contact Held 10 Mar

SK1103104492 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 10 Mar 92

[Text] The sixth contact between the North and South delegates was held on 10 March at the Tongil House on our side of Panmunjom to discuss the formation and operation of the North-South joint nuclear control committee.

At the end of the closed-door contact, delegates Choe U-chin and Kim Yong-chol gave a news briefing on the contact.

They said that serious discussions have been held in the five rounds of contact, covering a 20-day period since the first contact in Pyongyang on 19 February, to discuss the formation and operation of the North-South joint nuclear control committee. As a result, each side came to fully understand the views and position of the other side and have reached a stage where they can initial an agreement.

Our delegates said that our side made a dramatic proposal to work out an agreement on the formation and operation of the North-South joint nuclear control committee by acknowledging the points on which the two sides had reached unanimity of views and initial it. The remaining issues will be referred to the joint nuclear control committee, when it is formed, for discussion.

The South, however, complaining about our side's so-called stance, took issue with the provision in our draft agreement on jointly thwarting the nuclear threat to the Korean peninsula from outside and obtaining a proper international guarantee for the denuclearization of the peninsula. They were unreasonable and their remarks beside the point, insisting on stipulating a time limit for the nuclear inspection. This is not a subject for the delegates to determine, but belongs to the joint nuclear control committee.

The South side went so far as to repeat an absurd assertion that working out an agreement and initialing only the points of agreement reached in the five rounds of contact is like building a house without a roof. At this, our side strongly questioned whether the South side came to the conference table that day to discuss the formation and operation of the joint nuclear control committee or to engage in an argument and obstruct the progress of talks. We urged the South side to come to the talks with sincerity.

In the first place, our side made it clear that to get an international guarantee for the denuclearization of the Korean peninsula is an indispensable requirement and principle of the joint declaration on the denuclearization of the Korean peninsula. We had omitted it from the agreement because, taking into consideration the South's opposition, we intended to form the joint nuclear control committee first and then discuss it.

Our side said that even the Americans say that setting a time limit is a trick and it cannot be executed. We asked why the South side, which blindly follows the United States, does not follow the U.S. position on this issue.

Our side said a threat of southward invasion—the pretext for the U.S. Forces' occupation—does not exist since the validation of the North-South agreement. Therefore, the South's deliberate delay of the resolution to the nuclear issue is aimed at justifying the U.S. Forces' occupation in South Korea on the second pretext of a so-called southward invasion, that is, a so-called nuclear threat from the North. Our side added that the South's deliberate delay of the resolution of the nuclear issue is aimed not only at gaining what the South wants, by extremely aggravating the situation on the Korean peninsula under the pretext of nuclear threat, but also at using the nuclear threat as a U.S.-South Korean strategy in those countries' elections.

Our side made it clear that it can never accept the issue of a time limit because discussing a time limit is to pursue an insidious political issue and because this discussion is beyond the scope of the delegates' contact. We stressed that the South side should clearly know that the North never compromises on an unprincipled matter. In particular, our side noted that the South side is refusing to adopt a concrete annexed agreement for the implementation of the joint declaration on denuclearization and avoiding inspection of nuclear weapons and nuclear bases, and added: This is, in essence, to deny inspection of U.S. nuclear weapons and nuclear bases in South Korea.

Our side asked the South side: Why do you oppose the adoption of the annexed agreement for the implementation of the joint declaration on denuclearization? Why do you so persistently oppose the inclusion of nuclear weapons and nuclear bases in the agreement? Will you hold yourself responsible to the nation for not being able to form and operate the joint nuclear control committee at the date agreed upon? Are you willing to form the joint nuclear control committee no later than 18 March by initialing the points already agreed upon? If your side is not willing to initial it, are you willing to form the joint nuclear control committee and continue the delegates' contact?

However, the South side persisted as if the tense situation on the Korean peninsula were attributable to our fictitious nuclear development. Our side noted that the root of tension on the Korean peninsula lies in the Korean policy of allowing the United States to transform us at will: the criminal despotism of the United States to achieve the so-called global integration doctrine and in the flunkeyist action of its follower, the South Korean authorities.

In particular, indicating that the nuclear threat has existed on the Korean peninsula for more than 30 years since the United States introduced and deployed nuclear weapons in South Korea, our side stressed that although the highest person in authority in South Korea made a declaration on the absence of nuclear weapons, all facts show it is not clear if these weapons still exist in South Korea, and no one can twist historical facts.

Our side revealed that the United States introduced and deployed nuclear weapons in South Korea in large quantities as early as 1956 and 1957, unilaterally abrogating Article 13D of the Armistice Agreement. Our side asked: How could the South side, which is so afraid of nuclear threat, allow U.S. nuclear weapons into South Korea for more than 30 years, turn South Korea into a U.S. nuclear base, and make the nation and fellow countrymen victims of U.S. nuclear weapons?

Our side stated that the South side's hue and cry over the manufacture of nuclear weapons is based on misinformation supplied by the United States and that the United States is using this as a pretext to pressure us. Our side stated: Even under this pressure we are vigorously advancing, consistently adhering to independence.

We stated that the South side should listen to what we, the same nation, say, but should not listen to what others, such as the United States, say. Our side insisted on an overall inspection of U.S. nuclear bombs, shells, mines, missiles, and all other nuclear arms and nuclear bases in different places in South Korea, not a trial inspection of one or two places. As to the time limit on which the South side insisted, we asked the South side: If our side proposed regulations for the inspection of U.S. nuclear weapons and bases in South Korea, would the South side accept them within one month? But the South side avoided answering the question.

Our side continued to ask the South side upon whose instructions it brought up the problem of the time limit and its purpose in doing so.

Being struck dumb, the South side went so far as to insult our delegates. Our side strongly urged the South side to apologize, indicating that making remarks at random that insult the other side to the contact is an insidious act unprecedented in the history of North-South dialogue. Driven into a corner, the South side repeatedly apologized.

That day the South side begged us not to mention the United States so frequently at the talks. Our side asked back: Does it tear at your hearts so much?

Our side said that there is no problem in forming and operating the joint nuclear control committee based on conditions regarding the formation, function, and operation of the joint nuclear control committee that have already been agreed upon. We again urged the South side to work out an agreement based on conditions to which both sides have reached a unanimity of views and to initial it. Our side also proposed to inaugurate the joint nuclear control committee around 13 March, hold the first meeting of the committee in the South side's area of Panmunjom around 17 March, and discuss the pending issues there.

However, the South side rejected all of our proposals. Our side urged the South side to come to the next contact with a forward-looking [chonhyangjokin] proposal after deeper study because the joint nuclear control committee should be formed without fail before 18 March.

It was decided to have the next contact on 14 March.

Commentary Urges Inspection of Nuclear Depot

SK1103085292 Pyongyang Korean Central Broadcasting Network in Korean 1150 GMT 10 Mar 92

[Commentary by station commentator Chong Pong-kil: "The Shameless Act of a Thief Crying Stop Thief"]

[Text] These days, the South Korean ruling bunch keep committing intolerable criminal acts of finding fault with and slandering us. At the 46th commencement ceremony of the puppet's Naval Academy, South Korea's highest person in authority made an absurd outburst, recklessly finding fault with us.

He reportedly said at the ceremony that unless the nuclear issue is resolved, someone will be isolated and the relations between the South and the North will face a difficult phase. He also urged that obstacles in the path to progress in relations between the South and the North should be eliminated as soon as possible. This constitutes a shameless act of a thief crying stop thief, and it is also an open challenge to the North-South agreement and an act of treachery against us.

As has already been known, at a lecture held in Seoul, Chong Chu-yong, former chairman of South Korean Hyundai Group, recently made it public that Hyndai Group had participated in a top secret construction project for the storage of U.S. nuclear bombs in a mountain and that he himself had supervised the project on site.

In this connection, the people at home and abroad strongly denounce U.S. imperialists and the South Korean ruling bunch for their nuclear war maneuvers, raising their voice demanding that they make public the locations of the secret nuclear depots and that an all-out inspection of them be conducted.

Now that secret underground nuclear depots to store atomic bombs have been built and top secret information on their existence has been made public, it has been revealed to the world that the declaration on nonexistence of nuclear weapons by South Korea's highest person in authority is nothing but a false statement. South Korea's highest person in authority, to our consternation, found fault with our nonexistent nuclear development and made such an outburst.

We have already signed the nuclear safeguards accord. At the second session of the ninth Supreme People's Assembly [SPA] Standing Committee held on 18 February, we discussed the nuclear safeguards accord concluded with the International Atomic Energy Agency and decided to refer this to the SPA for deliberation. On 7 March, we made publicly announced the convening of the third session of the ninth SPA on 8 April and made it clear that we would deliberate the proposal to ratify the nuclear safeguards accord at the session.

Our independent, forward-looking plan with regard to ratification procedures of the nuclear safeguards accord receives a warm welcome from the rest of the world. This clearly shows that our consistent position in connection with implementation of the nuclear safeguards accord is very just and that our plans for ratification of the nuclear safeguards accord are accepted as internationally established fact.

Even at this moment when our nuclear safeguards accord is just about to be deliberated at the SPA, South Korea's highest person in authority is still making a fuss over nuclear development and also making very provocative outbursts which interfere in our internal affairs. This is intolerable.

Furthermore, turning his face away from the just demand of the people at home and abroad that the location of the secret nuclear depots already constructed should be made public and that an all-out inspection of the depots be conducted, he spoke slanderous gibberish. This is not only a clumsy farce to divert the public opinion at home and abroad, but also a hackneyed trick of those who have committed a misdeed.

The highest person in authority of South Korea babbled about a so-called obstacle. But it is the South Korean authorities themselves that are laying an obstacle to the implementation of the North-South agreement and the joint declaration on denuclearization.

In the contact of the delegates of the two sides to discuss the question of the formation and operation of the North-South Joint Nuclear Control Committee, the South side laid artificial obstacles, engaging in stalling tactics, and even raved about trial inspection. Now that it is clear that U.S. nuclear weapons depots exist in South Korea, the nuclear inspection between the North and the South should not be limited to a trial inspection of one or two facilities but it should be an all-out inspection covering U.S. nuclear weapons and nuclear bases. This is an essential demand for the denuclearization of the Korean peninsula.

It is preposterous that those who are laying obstacles to the implementation of the North-South agreement and joint declaration on denuclearization should babble about obstacles. We cannot but interpret the South Korean authorities' nuclear commotions to be their tactics aimed at dampening the rapidly heightening mood for reunification in South Korea and leading the situation in a different direction not to implement the agreed upon documents on purpose. If this were not the case, why should they engage in absurd unjustifiable nuclear commotions without regard to the agreement pledged to the nation? The South Korean authorities should immediately stop the nuclear development commotions which can convince no one and set out to implement the North-South agreement and the joint declaration on denuclearization.

The South Korean authorities should be clearly aware that the act of inspiring hostile feelings and confrontation within the nation right from the outset of the effectuation of the North-South agreement enrages the entire nation aspiring for the reunification of the country, and act with discretion.

Paper Criticizes U.S. 'One Superpower' Plan

SK1103053692 Pyongyang KCNA in English 0510 GMT 11 Mar 92

["U.S. Adventurous 'Plan' To Dominate World"—KCNA headline]

[Text] Pyongyang March 11 (KCNA)—The guideline for defence programme made public by the U.S. Defense Department recently is a specification of the heinous ambition of the bellicose circles of the U.S. Defense Department to lord it over as the "only and one superpower" and contain other countries by strength and establish domination over the world, and it makes self-evident what their ulterior intention is, says a MINJU CHOSON analyst today.

He notes:

It is an invariable wild ambition of the U.S. reactionary circles to dominate the world by strength. They, raising cheers over the frustration of socialism and comeback of capitalism in some countries, are getting overheated in establishing domination over the world. In other words, they are trying to overthrow and destroy the socialist countries by intensifying the anti-socialist offensive and establish a monopoly domination over the world by containing other capitalist countries. Completely discarding their stand of the past, they blared in the guideline that they would not allow other Western capitalist countries to raise their heads. This means that only the United States will dominate the world with nuclear-tipped military stick.

In the execution of its strategy to dominate the world the United States attaches importance to the Asian-Pacific region and intends to keep its military control of South Korea for an indefinite period and establish its domination over broad areas of Asia with it as the springboard. It is for this very purpose that the reactionary circles of the U.S. Defense Department are scheming to keep their aggression forces in South Korea under the pretext of "instability in the Far East".

Trying to dominate others by strength through military buildup is a grave challenge to the desire of the times and the peaceloving people.

Destined to fail is the scheme of those who try to dominate the world, thinking that their country is the only "superpower".

Paper Urges Equality in International Relations

SK1103112392 Pyongyang KCNA in English 1013 GMT 11 Mar 92

["NODONG SINMUN Calls for Maintaining Independence in International Relations"—KCNA headline]

[Text] Pyongyang March 11 (KCNA)—Only when all countries over the world firmly maintain the principle of independence in international relations will it be possible to establish and develop relations between countries on the basis of genuine equality, cooperation, mutual benefit and non-interference in others' internal affairs, fully guarantee and consolidate the independence and sovereignty of nations according to this and, furthermore, ensure world peace and security and achieve independent development and prosperity of each country.

NODONG SINMUN today says this in a signed article titled "Independence Is Foundation of All International Relations".

The article quotes the great leader Comrade Kim Il Sung as saying:

"In the international community today no one has a right to infringe upon the sovereignty of other countries. Every nation is equal and a larger nation is even more responsible for abiding by the principle of international justice and equality."

These words of Comrade Kim Il-song, the article says, clearly expound the principle of independence to be maintained by countries in the international community today.

The reason why the principle of independence constitutes the basis of all the international relations is above all that it makes it possible to meet the intrinsic demands of each country and nation.

There are big or small countries, developed or less developed nations in the world. But, there must not be highly privileged and lowly based nations, neither should there be dominating and dominated nations.

All countries and nations are completely equal and independent as members of the international community.

They, therefore, must neither infringe upon the sovereignty of others nor have their sovereignty violated. And all of them should establish friendly and cooperative relations on the principle of equality and mutual respect.

What is important here is to oppose the tendencies of domination and big-powerism, while getting rid of the dependence upon outside forces and flunkeyism.

The socalled "new world order" clamoured about by the imperialists today is an order to subordinate a majority of countries and nations to their policy of domination and big-powerism by keeping to the old relations between the master and the servant.

Another reason why the principle of independence constitutes the foundation of all the international relations is that it makes it possible to settle international issues in a fair way in keeping with the interests and requirements of all countries and nations.

All the issues arising in the international relations must be solved in keeping with the aspirations and desire of the entire mankind and in accordance with the interests and requirement of all peoples.

To this end, all countries must positively take part in the settlement of the international issues with equal qualifications and rights and refrain from forcing their unjustifiable will upon others or following wrong arguments of others implicitly.

Especially, a big country must respect the independence of other countries and deal with the international issues on the principle of international justice and equality.

Such an old way of thinking and behaviour of a superpower in the Cold War era as demanding privileges and acting arbitrarily must not be allowed in the settlement of the international issues.

Living Standards in Mountain Regions Improving

SK1003024992 Pyongyang KULLOJA in Korean
No. 11 Nov 91 pp 79-84

[Article by Yi Yong-chang: "Experience in County Party Committee's Organizational Political Work To Improve the Living Standard of People in Mountainous Areas"]

[Text] Under the unique and superior socialist system centered on the popular masses, all of our people enjoy equality and a happy life to their hearts content. In our country, workers do not have to worry about food, clothing, and housing and enjoy equality and a happy life. They are also overflowing with hope and confidence in the future that they will be able to enjoy a richer and more cultured life. Therefore, they are bringing about endless upsurges in the socialist building.

A fundamental turning point occurred especially in the lives of the people in mountainous areas. As a result, regional disparity in the people's living standard, which was left by the old society, was gradually dissolved, and the living standard of people from various regions is being raised equally as demanded by the socialist society. Therefore, by freeing themselves from the long period of exploitation and suppression, the centuries-long cherished desire of the people living in mountainous areas, who wanted to live just like the people in the cities or plains areas without envying them as masters of the state and society, is being brilliantly realized in our Workers Party era.

Truly, the great changes in the living standard of the people in mountainous areas further vigorously shows the justness and vitality of the invincibility of our party's people-oriented policy, which is wholly in charge of our people's fate and struggling to provide for them a richer and more cultured life.

Quickly raising the living standard of the people in mountainous areas is our party's consistent policy.

Comrade Kim Chong-il, member of the Presidium of the Workers Party of Korea Central Committee Political Bureau and secretary of the party Central Committee, has indicated: From the early days, the leader [suryongnim] emphasized the problem of raising the living standard of the farmers in the mountainous areas and said that in places where there are mountains the farmers must live off the mountains. Also, he taught that the counties in mountainous areas must use the mountains well to develop the economy so that they can raise the living standard themselves. Therefore, a brilliant example was created by the leader in Changsong County. (Footnote 1) ("The Position and Role of the Military in the Socialist Building," p 29)

To raise the living standard in mountainous areas—and most of our country is mountainous—is an important part of accelerating overall socialist building. The living standard in mountainous areas must be raised so that the people's position of being a master of the state and society can be guaranteed materially, and all workers can be provided with equality and a happy life. Furthermore, the superiority of socialism of our own style can be highly manifested.

From the early days our party gave significance to the problem of raising the living standard in mountainous areas and have wisely led the struggle in its realization. Especially the historical 1962 joint conference of Changsong local and party functionaries was a historical opportunity to raise the living standard in mountainous areas.

In all counties of the mountainous areas including Changsong, which was created as an exemplary county in raising the living standard in mountainous areas today, as well as Sakchu, Pyoktong, Yangdok, Sinyang, and Pukchang, various industrial products and agricultural products are magnificently produced and supplied in accordance with their own strong economic basis. The people are demanding these products. Therefore, mountainous areas, which before liberation were unsuitable for living, are now places where mountainous people are enjoying a happy life to the point that they do not envy the people living in plains areas.

Under the wise leadership and warm care of the party and the leader, an unprecedented change took place in the living standard in our Sijung county, which is situated in the northern mountainous area.

In the days before national liberation, our county was a backward rural area which grew such crops as foxtail millet, sorghum, and potatoes in slash-and-burn fields. To live as affluent a life as those on the plains was the ardent desire of the people in Sijung County who had long suffered from poverty and ignorance, with their lives depending on the unproductive slash-and-burn fields—a desire their ancestors dreamed of generation after generation. This desire that our people in the mountainous regions had long felt was brought into brilliant reality only after national liberation.

The great leader Comrade Kim Il-song, who was very much concerned about the life of the people in the mountainous regions from the very beginning of socialist construction, came to our county in January 1948 and kindly taught us about the need to raise the people's standard of living by increasing the acreage of the paddies and by developing the rural economy in all directions.

Ever since, the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il have given on-the-spot guidance to the county on many occasions, warmly looked after the people in the county in a fatherly manner, and directed great consideration to them.

Our county, which was far behind economically and culturally, has freed itself from all manner of backwardness, the legacy of history, and is now in the process of changing into an affluent and beautiful region and into a people's paradise good to live in, all thanks to the wise leadership of the party and leader.

The county, which is fully armed with 15 local industrial plants, ranging from a soy sauce plant to a vegetable and meat processing plant, textile factory, garment factory, and wooden furniture and other daily necessities production cooperative, is now meeting the demand of the residents for consumer goods basically on its own, while endlessly increasing the production of grain, meat, vegetables, fruit, silkworm cocoons, based on the firm foundation of agricultural production. In addition, the county is now solving the people's housing problem more satisfactorily by building hundreds of modern dwellings each year based on its own firm construction material base and providing them with more convenient living conditions by increasing and reasonably arranging the service network in conformity with the residents' demand. The county is making the people's living more affluent by developing freshwater fish farming and transportation by water through the use of Changja River.

Indeed, the wise leadership of the party and the leader was the crucial element that enabled the people in the mountainous region to effect a great upswing in their living and a source of invincible strength.

In the past, our county party committee, upholding the party's policy on rapidly improving the people's standard of living in the mountainous region, vigorously carried out the organizational and political work to implement the policy.

The particular stress that the county party committee put on the effort to rapidly improve the people's standard of living was to make all the working people in the county nurture a firm viewpoint and stand to run the county affairs on its own under any difficult circumstances and base themselves on this to give full play to the revolutionary spirit of self-reliance and arduous struggle.

To display magnificently the revolutionary spirit of self-reliance and arduous struggle is an important factor capable of attaining successes in all kinds of work. In view of the realities of our county, it was particularly important for the functionaries and working people in the county to display the tenacious revolutionary spirit of standing on their own feet to run the county and raise the people's standard of living.

As our county's arable land is only 8.1 percent of its total acreage and because the arable land is barren, the yield of crops such as grains and other agricultural products grown in our county is less than those grown on plains. Also, in a sense it has a disadvantage in strengthening the material and technical foundation for local industry and in increasing the quantity and items of consumer goods in comparison with other areas that accommodate big plants and enterprises. Nevertheless, under no circumstances can these be the decisive factor in determining whether the work of developing the local economy and raising the people's standard of living will be successful or not.

As for the running of county affairs, functionaries and working people of the areas concerned are the masters. Thus, whether the work of developing the county economy and raising the people's standard of living will be successful depends on how the functionaries and working people of each county work and with what kind of ideological resolve. As experience shows, when the functionaries and working people solve their own problems based on the revolutionary stand of self-reliance, they can change the unfavorable conditions into favorable ones and perform the miracle of producing something from nothing.

Until a few years ago, however, some functionaries and working people in the county were not successful in completely freeing themselves from the tendency to complain about the working conditions and to be passive about providing revolutionary answers to the problems that arise in raising the standard of living.

Proceeding from the specific realities of the county, the county party committee concentrated the greater part of the political work on raising the standard of living, making the functionaries and working people give full play to the revolutionary spirit of self-reliance and arduous struggle. We saw to it that the sections of the county party committee and their lower organizations repeatedly instill in the functionaries and working people the party's policy of giving full play to the revolutionary spirit of self-reliance, while carrying out the political work aimed at rectifying the deviations cropping up in the course of implementing the party policy in various ways and forms commensurate with the degree of the preparedness on the part of the subjects and in conformity with their characteristics. At the same time, the county party committee convened party meetings, meetings of the working organizations, and administrative meetings to discuss matters related to the people's living and to nurturing the revolutionary spirit of arduous struggle at all times. The meetings were also to plan and organize the work of correctly appraising the exemplary units and working people that have excellently fulfilled the tasks on their own by using lecture meetings, meetings held to share experiences, and on-the-job- training meetings as instruments.

Such things have worked excellently in making the functionaries and working people abandon their habit of depending on others and now see and solve all problems based on a revolutionary stand of self-reliance. Thus, the soy sauce plant has introduced a rapid soy sauce production process on its own and expanded its manufacturing capacity to 1,000 tons of soy sauce a year. At the same time, vegetable and meat processing plants have been able to introduce a new process capable of producing a great deal of high-quality, nutritious, and tasty foodstuffs for children. In addition, the paper mill has been able to produce enough paper to meet the country's demand by manufacturing wood-crushing equipment on its own, thereby enabling it to produce 600 tons of paper a year.

A few emphatic words or a few explanation and propaganda sessions alone cannot give full play to the revolutionary spirit of self-reliance. It can be demonstrated highly only when the people come to fully understand the inexhaustible might of self-reliance through organized practical struggle and make self-reliance their code of firm faith in life. We can deeply sense it in the course of pushing ahead with the work of creating the raw material cultivating base this year.

The construction of a raw material base in February was not an easy undertaking in any sense. Although it was early in the spring, the weather in the northern mountainous areas was bitterly cold, and pulling out rocks and tree stumps from the frozen soil on the sloping hills was a really hard task.

When the task appeared to look insurmountable and obstacles cropped up, some people insisted that either the acreage of the raw-material base be readjusted or that the project be postponed, but they remained passive about solving problems collectively discussed and decided at the county party committee meetings.

The county party committee saw that the major portion of the deviations caused by the old ideological viewpoint and attitude toward work still lingered in some of the functionaries and working people. They deliberately organized the work so as to create an atmosphere conducive to nurturing the revolutionary spirit of self-reliance, and they moved it through society by waging a practical struggle for creating the raw material base.

Through the functionaries of related sectors, the county party committee correctly provided a step-by-step goal to create raw material bases in every unit and made them execute it. Also, it prepared the functionaries of the county party and lower echelon party organizations to explain and propagandize the importance and significance of the the raw material base work among the masses and mobilized them to actively implement the economic agitation which stimulates their revolutionary spirit. Along with this, functionaries of the county level organ were made to responsibly guide and help the work to create raw material bases in their related units by dividing the work into regions. Also, on many occasions the county party committee held enlarged meeting of the mobile executive committee on the spot and intensified the summing-up activity and the repositioning work. Especially, glass plants, textile plants, and drilling machine repair plants were put forth as exemplary units, and after creating models their experiences were generalized. Also, organizing socialist emulation among the units was very effective in enhancing the revolutionary enthusiasm and creative positiveness of the functionaries and workers.

As a result of the intentional organization and progress of this work by the county party committee, solving problems that are put forth as the revolutionary trait of self-reliance became an every day work trait of all the functionaries and workers within the county. Therefore, in just about three months, bases for raw material cultivation amounting to hundreds of chongbo [1 chongbo = 2.45 acres] were created in Rinam-ri, Sangchong-ri, Simgwi-ri, and Chongin-ri, and results were also made in planting various raw material crops.

Another effort made by the county party committee to enhance the people's living standard is to give party-oriented inner support to the administrative and economic functionaries so that they can maintain the administrative and economic work to develop the local economy by rationally using to the utmost the natural economic condition of the county.

Comrade Kim Chong-il, member of the Presidium of the Workers Party of Korea Central Committee Political Bureau and secretary of the party Central Committee has pointed out: The basis in solving the problem of equally enhancing the living standard of farmers in various regions is to thoroughly fulfill the party's policy of endlessly increasing their own income based on generally developing the local economy by effectively using to the utmost the natural economic conditions of each region. These conditions have been already wholly confirmed in their superiority and vitality through practice. ("The Position and Role of the Military in Socialist Building" pages 32-33)

Generally there is not a great deal of cultivated land in the mountainous areas. The land is dry, and there are many fields but only a small number of rice paddies. On the other hand, natural resources, forest resources, and plant resources are abundant. This is a favorable condition for diversifying the rural economy and solving the problem of raw materials in the local industry. In our county alone there are deposits of natural resources such as black lead, limestone, apatite, and silicon dioxide, and every year wild fruits and wild edible greens including tons of acorns, wild grapes, fruit of the actinidia arguta, and fatsia shoots which are useful plant resources can be picked. These are widely distributed throughout the mountainous areas. In Yaksu-ri, there are famous mineral waters and in the western region of the county there is the Changja River lake that can be used for fresh-water fish farming, irrigation, and river transportation.

Therefore, if these natural economic conditions are well utilized, diversified development in local industry and the rural economy can be accelerated, the people's income can be additionally increased, and ultimately a further increase in the people's living standard can be achieved in a short time.

From this time on the county party committee always adhered to fulfilling the party's policy of rationally using the natural economic conditions of related areas in the party guidance of the administrative and economic work as its main line and put the main emphasis here. After consulting with the administrative and economic functionaries, the county party committee established the direction and policy of the economic work according to its sector and subject under the principle of utilizing the county's natural economic conditions. It supported the administrative and economic functionaries so that they can creatively solve their own problems in accordance with their own situation in accelerating the overall development of the local economy. Especially, based on our administrative and economic functionaries' clear perception of the natural and geographic conditions, the atmospheric and climatic conditions, the production and technical conditions, and the characteristics of the structure of the people's demand, we further perfected the sector structure of the local economy, strengthened its technical basis, mobilized and used the local areas' raw material and resources, and helped them practically establish measures to increase the quantity and types of consumer goods.

In this way, the county is now consolidating various sectors of the national economy in conformity with realities and increasing production systematically. A survey of some indices showing the growth rate during the last year shows that the rate of industrial output based on local materials and the distribution rate of the consumer goods reached 66 percent and 111 percent respectively compared with 1986, while the production of silkworms grew several times higher. Functionaries and working people in the stockbreeding sector have increased the per-unit yield of such feeds as squash, tonggwa, and amaranthus grown in feed-producing bases, which have been created in a forward-looking manner commensurate with the characteristics of the county and have increased the production of meat, while freshwater fish farms have created a firm guarantee capable of improving the residents' dietary life even more by putting millions of fish into lakes, reservoirs, and rivers, including Lake Changja.

The work of developing the local economy and raising the people's standard of living through the use of the natural and economic conditions existing in the county can be successful only when party functionaries actively support and help the administrative and economic functionaries in their work.

It was when we were building a cooperative farm specializing in sericulture in Pungchongri. Under the guidance of the county party committee, functionaries of the sectors concerned assigned the institutions and enterprises operating inside the county to create mulberry fields as part of the social movement. Some sectors, however, dragged their feet on the ground that they had other immediate tasks to fulfill. After finding such a deviation in the course of familiarizing itself the affair, the county party committee obtained detailed reports on mulberry field creation by each unit through the functionaries in charge, summed it up strictly, and then committed itself to helping the sectors take necessary measures. In addition, the county party committee arranged for the functionaries of its organization and propaganda departments to go into the lower reaches of the party committee to make them fulfill the tasks assigned by the administration institutions, without fail, by providing guidance to their organizational life and ideological work while making the administrative and economic functionaries raise the degree of their being necessary to the sectors. At the same time, we also let the administrative and economic functionaries know what they had overlooked in their work so that they could correct them in a timely manner. Our doing so has not only enabled all the units to smoothly solve all the administrative questions arising in creating the mulberry fields in a timely manner, but it has also led to the establishment of strict discipline inside the administrative institutions inside the county.

Indeed, the county party committee's arrangement for the administrative and economic functionaries to substantively preplan and supervise the work of effectively using the county's natural and economic conditions by enhancing their role and sense of responsibility is an important way to develop the local economy and raise the people's standard of living.

One other thing on which the county party committee has put particular stress in a bid to rapidly raise the people's standard of living was to correctly combine guidance and the masses to make all the guidance functionaries inside the county deeply realize the sense of mission as faithful public servants and display prominently the spirit of devoted service to the people.

Today, our party expects that all the functionaries go deep among the masses upholding the slogan "We are at the service of the people," tenaciously struggle to solve the problems facing the masses and problems they want to solve, and successively carry out the revolutionary tasks by positively giving play to the strength of the masses. The key to raising the people's standard of living in the mountainous areas at an early date lies in all the functionaries becoming truly faithful public servants and errand boys faithfully serving the people.

It was thanks to the functionaries who always stay among the masses, attentively listened to their words, and actively made efforts to solve the problems facing the masses that the direct-sales stores, industrial goods-sales shops, and grocery stores in our county have come to sell a wide assortment of goods necessary for daily life, enjoying favorable comments on those goods.

At one time, through the commercial sector functionaries, the county's responsible functionaries came to realize that there are not many varieties of goods. They realized this while acquainting themselves with the supply situation of miscellaneous daily necessities for the residents. To take appropriate measures, the responsible functionaries went to the direct-sales stores and made detailed inquiries on the supply situation and conditions for guaranteeing the miscellaneous daily necessities for the residents. Next, in a town, they visited a family of the third people's neighborhood unit and listened to their views. The responsible functionaries learned that the residents wanted various sizes and shapes of glass jars and glass containers. They then immediately went to the daily necessities' work team of a glass plant and informed the workers of the situation and discussed with them how to solve this problem. The responsible functionaries' work style moved and encouraged the functionaries and workers who are directly in charge of production. It inspired them to produce many glass jars and glass containers of various sizes and shapes in conformity with the living needs of the residents and put them on sale in the direct-sales stores.

Through this kind of method, we were able to considerably increase glass products as well as miscellaneous daily necessities in demand for the residents to use in everyday life. Also, products such as porcelain bowls, small porcelain bowls, ashtrays, and goldfish bowls were made in sufficient quantities to satsify the county's supply, and enough were even left over to export to other counties.

A lofty work style for our guiding functionaries to possess is setting an example to others in solving problems in the people's living.

The county party committee has always actively led the functionaries of the county-level organ, including the county party, so that they can possess the self-sacrificing spirit of service toward the people and throw themselves into solving the problem of enhancing the people's living standard enthusiastically.

The process of building modern houses in the seat of the county government office clearly shows how great a might the functionaries have when they work by taking the lead among the masses with the self-sacrificing spirit of service toward the people.

According to the county party committee's plan, the county-level organs, plants, and complexes were in charge of the task of building houses and were vigorously pushing ahead with this work. However, at this time, some units were not able to improve the speed of building in accordance with the construction. The main reason was that materials necessary for the construction process were not transported at the appointed time. The county party committee and party organizations of related sectors sent the functionaries down to the plants and complexes to lead the workers to thoroughly mobilize all rational transportation means while carrying out the political work aggressively.

A county party functionary who visited the construction site of a five-story dwelling on the edge of the Changja River lake made plans with truck drivers and accelerated the work to transport sand and cement. He also provided scaffolds and heavy ropes that were in short supply. Other functionaries went to the construction sites of which they are in charge and directly did difficult and strenuous work, thus solving problems at the appointed time. Especially, the functionaries of the county party committee set a fine example by completing before anyone else a four-story dwelling in the heart of the seat of the county government office. The practical example set by the functionaries of the county party committee gave great strength to the party members and workers of the county and made it possible to achieve new innovations in accelerating the speed of building of overall dwelling complex.

Therefore, during the past few years four-, five-, and six-story dwellings were built in the town districts and in the county, and dwellings for 600 households were built, thus further solving the housing problem of the people smoothly.

Through practical experience, we must firmly adhere to the party's policy of having the county party committee improve the people's living standard. We came to believe that if we vigorously carry out the organizational political work to fulfill the party's policy, the local economy can be developed and the people's living standard can be enhanced quickly, even if a county is in a mountainous area.

The results achieved by our county in the struggle to enhance the people's living standard in the past is nothing but an elementary stage compared with our party's high demand and expectation. We must in the future highly uphold the party's policy of enhancing the people's living standard and further intensify the organizational political work to fulfill it. By doing so, according to the developing practical demand, the living standard of the residents in the county can be improved endlessly and will actively contribute to accelerating the overall socialist building.

South Korea

Military Expert Urges N-S Troop Reductions

SK1103021492 Seoul THE KOREA HERALD in English 11 Mar 92 p 3

[By staff reporter Yi Sung-yul]

[Text] A military expert has suggested that the number of South and North Korean troops, now standing at 1.7 million in a combined number, be reduced to 500,000, drawing mixed responses from military members and civilians alike.

Chi Man-won, a retired Army colonel who works as a system analyzer, charges that "it is nonsense that both sides should maintain troops larger than the U.S. Army, despite their economic problems."

In his new book, *The Korean Armed Forces in the Era of Arms Reduction*, Chi, a Ph.D. in operations research, also suggests that the South initiate arms reductions in a unilateral way to bring the North to the table for negotiations of mutual arms reduction.

His book, the revised and enlarged edition of his best-seller *Where Should the Korean Military Go?* published in August last year, is one of the books on sale concerning problems of the military, which used to be considered a "sacred field."

Another comment is "The Korean Military and Its Problems," by Yi Sun-ho, a retired Marine colonel, which points out problems of the current defense and Joint Chiefs of Staff organizations.

Prof. Yi Tae-ung of Chungang University, a retired Army lieutenant colonel, is soon to publish a book on problems in defense policy.

Chi, 50, who is famous for his earlier book, which was the first of its kind, says in his new two-volume book that South and North Korea should reduce their troops to less than 300,000 apiece.

"Some insist that the country, even after it is unified, should maintain the current military forces, considering neighboring powers such as China and Japan, but it is an anachronistic idea," Chi charges.

"It is also economic suicide to maintain 1.7 million troops on both sides of Korea for a war that is not likely to be fought," Chi points out.

He suggests that the military will accept the call for defense budget cuts for the economy.

The United States and European countries plan to cut defense budgets by 20-30 percent by 1995, and the United States is to reduce its forces from 1.97 million to 1.6 million by 1995, Chi says.

"It shows that advanced countries have already begun to prepare themselves for coming economic wars," Chi says.

At present, North Korea maintains 1 million troops compared with South Korea's 650,000.

Pointing out that the military is reluctant to reduce arms, Chi says that the optimal military force for both Koreas should be mapped out "by political leaders with a sense of international strategy, rather than by military strategists."

Concerning Chi's suggestions, some officers describe them as "not worth considering" and his book as "one written by a military dropout."

But others say that many of his suggestions "make sense and is worth listening to."

Some civilian readers say that "regardless of whether Chi is right in his suggestions and remedies, it is a fresh book on the military."

Chi goes on to say that the military should stop and think about whether they should continue to buy more tanks and fighters or whether they should invest more for scientific management of the military and the education of officers.

He points out that military colleges still regard the U.S. field manual (FM) as the Bible and that many officers fail to become specialists in advanced fields for military operations and management.

Chi also suggests that the concept of "linear defense" should be changed to "strong-point defense" which he says is best for the defense of the south.

He says that military power cannot be measured by the number of weapons or firepower. What is more important is the ability to use and operate them, Chi says, calling for development of ability and more investment in military education.

Chi also suggests merging military colleges and logistics organizations of the Army, the Navy and the Air Force.

Concerning Chi's unique book, a ranking military officer says, "It seems to me that most of what he says is right. But when we try to correct something, we face bottlenecks and deadlocks almost everywhere."

Diplomats Pledge To Support Unification

SK1003031492 Seoul YONHAP in English 0238 GMT 10 Mar 92

[Text] Seoul, March 10 (YONHAP)—Chiefs of Korean diplomatic missions adopted an eight-point resolution pledging diplomatic efforts for national unification and multilateral economic cooperation at the close of their conference Tuesday [10 March].

Ninety-seven ambassadors and consul-generals attended the mission chiefs' meeting, which opened March 5 for orientation of Korea's diplomatic goals.

Foreign Minister Yi Sang-ok asked the diplomats "to not be tied down by customs and traditions but to work with spontaneity and creativity in confronting changing world political situations."

"We ask for your contribution to upgrading our national status and national interest, and especially to promoting exports through activities in the host country," Yi told the closing ceremony.

The resolution pledges the missions chiefs to strive for inter-Korean peace and the hastening of national unification, to effectively prepare for new economic order, concentrate on trade diplomacy for Korea's economic revitalization, and contribute to global efforts in the United Nations to solve international problems.

Government Official on North's Tourism

SK1103110692 Seoul KBS-1 Radio Network in Korean 0500 GMT 11 Mar 92

[Text] Today the government officially commented on the recent announcement by the Kumgangsan Tourist Company in Japan that the North Korean authorities have decided to allow South Koreans to go on sightseeing tours of Mt. Kumgang and Mt. Paektu. The government stated that North Korea's decision is welcome and is a subject to be discussed at the North-South exchange and cooperation committee. Reporter Chong Chang-ho says:

[Begin recording] According to a Board of National Unification official concerned with exchange and cooperation with North Korea today, despite a recent press report that exchange with the North will be possible only after North Korea's nuclear issue is solved, the government will willingly respond to the North's offer for tourist exchange once the North's real intent has been confirmed. Our government has pushed ahead sightseeing in North Korea as a business, with particular interest in expanding exchange and cooperation with North Korea.

He said that although it has not received official notification from the North Korean authorities, the governmnent will actively push the possibility of sightseeing in North Korea through discussions between authorities on both sides and as part of the home visits for separated families.

He also said: Tourist exchanges between the North and the South on a large scale require deep and detailed discussions between the two sides on guarantees for tourists' travel and communications, establishing institutional devices for the tourist business, and other related matters. The government hopes that all of these matters will be discussed at the upcoming meeting of the North-South exchange and cooperation subcommittee. [end recording]

Opposition Announces National Constituency

SK1103032692 Seoul THE KOREA HERALD in English 11 Mar 92 p 2

[Text] National constituency nominees

Democratic Party

1. Kim Tae-chung	(party co-leader)
2. Yi Ki-taek	(co-leader)
3. Kang Chang-song	(ex-head of Defense Security Command)
4. Chang Chae-sik	(ex-president of Korea Housing Bank)
5. Yi U-chong	(senior party official)
6. Na Pyong-son	(ex-commander of the Army Sixth Corps)
7. Sin Chin-uk	(ex-lawmaker)
8. Kim Ok-chon	(Mudungsan Hotel head)
9. Chang Chun-ik	(ex-head of Korea military Academy)
10. Yi Tong-kun	(party lawmaker)
11. Kuk Chong-nam	(Dail Film Co. president)
12. Kim Chung-hyon	(businessman)
13. Kang Hui-chan	(president of Samyang Industry Co.)
14. Pak Chung-hun	(Daewoo Corp. executive)
15. Pak Il	(ex-lawmaker)
16. Kim Ok-tu	(vice chairman of party External Cooperation Affair Bureau)
17. Pak Un-tae	(chairman of Mijoo Industry Co.)
18. Chang Ki-uk	(chairman of party Disciplinary Committee)
19. Yang Mun-hui	(vice chairman of Korean Medical Association)
20. Kim Mal-yong	(former labor leader)
21. Pak Chi-won	(Korean resident based in New York)
22. Yi Chang-hui	(aide to Yi Ki-taek)
23. Namkung Chin	(director of party General Affair Bureau)
24. Pae Ki-son	(deputy director of party Planning Bureau)
25. Choe Pyong-uk	(party official)

Unification National Party

1. Mun Chang-mo	(former Severance Hospital head)
2. Yang Sun-chik	(party adviser)
3. Chong Chu-yong	(executive chairman)
4. Cho Yun-hyong	(co-chairman)
5. Choe Pul-am	(TV actor)
6. Yi Kon-yong	(retired Army lieutenant general)
7. Chong Chang-hyon	(party Financial Committee chairman)
8. Kang Pu-cha	(TV actress)
9. No Pyong-tok	(vice Sungkyunkwan director)
10. Kang Tal-su	(lawyer)
11. Yi Yong-chun	(party secretary general)
12. Yi In-won	(party spokesman)
13. Yi Pyong-kyu	(secretary to the executive chairman)
14. Yun Ha-chong	(former vice foreign minister)
15. Pak No-kyong	(former journalist)
16. Kim Yun-kun	(former president of Korea Marine Industry Development Corp.)
17. Choe Man-nip	(former vice chairman of Korea Amateur Sports Assoc.)
18. Kim Kyu-pyok	(former chairman of Federation of Korea Trade Unions)

19. Kim Yang-sik	(poetess)
20. Chong Sun-pin	(Confucianist)
21. Yi Chi-op	(retired general)
22. Kang Chik-mo	(former chairman of Association of Five North Korean Provinces)
23. Yu Chi-chun	(former Korea JC head)
24. Son Chang-tal	(businessman)
25. Yun Man-chung	(former secretary general of Federation of Korea Automobile Unions)

Nominees Examined

SK1103032792 Seoul THE KOREA TIMES in English 11 Mar 92 p 2

[Text] The Democratic and Unification National Parties yesterday made public their 50 and 32 candidates, respectively, for national constituencies seats.

Co-chairman Kim Tae-chung and Yi Ki-taek topped the DP's [Democratic Party] list, followed by donors of political funds, opposition or dissident leaders and some party executives.

The co-chairmen, expecting that at least 24 nominees will enter the 14th National Assembly under the proportionate representation system, which allots seats in proportion to the number of Assemblymen elected, listed eight persons from various walks of life and the same number of financial contributors and DP secretariat officials.

The 299-member Assembly is composed of 237 legislators directly elected in local districts and 62 from national constituencies.

Election analysts believe those listed 17th or below have little chance of gaining an Assembly seat at the main opposition party would win no more than 80 seats in the direct elections.

The DP list is top heavy with former military leaders and businessmen, while that of the UNP's [Unification National Party] is dotted with television stars like Choe Pul-am and Kang Pu-ja who were listed higher than the party's general or spokesman.

The DP listed Kang Chang-sung, former commander of the Defense Security Command; Na Pyong-son, former dean of the War College; Chang Chun-ik, former superintendent of the Korea Military Academy; third, sixth and ninth, respectively, all but assuring them of Assembly seats.

Sin Chin-uk, founder of schools in Taegu; Kim Ok-chon, president of a Kwangju hotel; Kuk Chong-nam, a film maker; and several little-known but wealthy contributors were listed well ahead of many political figures.

Kim Tae-chung, long disliked by the military for his progressive policies, is trying to gain a toehold in the most conservative quarters with his courting of former military generals. The DP, caught between the affluent government party and the open-handed UNP, is in dire need of campaign funds though its receiving 1-3 billion won for a national constituency seat may cost it its morality.

Working-level DP party executives faced the same fate as their ruling Democratic Liberal Party counterparts. Except for Kim Ok-tu, former deputy secretary general and Kim Tae-chung's confident, all others were listed 20th or below.

The UNP singled out chairman Chong Chu-yong's long-time friend Mun Chang-mo as the first of its 32 nominee in which election observers say at best six or seven would move on to the Assembly.

Chong was third, and followed by co-chairman Yang Sun-chik and and Rep. Cho Yun-hyong.

Choe Pil-am and Kang Pu-ja were fifth and eight, party secretary general Yi Yong-chun, 11th, spokesman Yi In-won, 12th, former foreign minister Yun Ha-jong, 14th, and Kim Yun-kun, former commander of the Capital Garrison Command, 16th.

Dissident Group Fields Assembly Candidates

SK1103032292 Seoul THE KOREA HERALD in English 11 Mar 92 p 2

[Text] The nation's largest dissident organization "National Alliance" will field a total of six candidates in the March 24 Assembly elections including Na Kang-su in the Unpyong-A constituency in Seoul.

Na, chairman of the organization's Seoul branch, has long worked as dissident activist.

Na plans to exert every effort to assist 26 candidates the party chose as so-called "people's candidates"

The candidates include Yi Mun-ok, former inspector of the Board of Audit and Inspection in a Kwangju district and Chang Ki-pyo from the Minjung Party in a Tongjak constituency.

Students Arrested for Illegal Campaigning

SK1103022192 Seoul THE KOREA TIMES in English 11 Mar 92 p 3

[Text] Fifteen persons, including three collegians campaigning for the progressive People's (Minjung) Party, have been arrested across the country on charges of violating the National Assembly Elections Law, a prosecution spokesman said yesterday.

The prosecutor also said a total of 179 persons involved in 116 separate cases are suspected of engaging in illegal or corrupt campaigning, adding that even minor offenders of the election law will face harsh legal action.

The three students are Yi Kyong-pae, 26, of Changwon College, Yi Un-ku, 21, of Chonnam National University and Kim Tae-u, 21, of Ulsan College. They are suspected of distributing anti-government leaflets or unauthorized pamphlets supporting People's Party candidates.

The Changwon collegian organized an illegal rally at a market in Changwon City, denouncing a ruling Democratic Liberal Party candidate and handing out the anti-government leaflets last Saturday [7 March], charges said.

The Ulsan collegian is additionally suspected of launching a boycott campaign against the ruling party.

Under the law, it constitutes a crime to engage in boycott campaigns against specific party candidates.

The Chonnam University student is accused of illegal campaigning for a People's Party candidate in Kwangju by sticking unauthorized campaign posters on walls of houses and buildings in a downtown area.

In the meantime, Yi Yong-ik, 52, chief of the Chungchongnam-to branch of Hyundai Motor Co., was arrested for paying house-to-house visits to voters in Taejon to seek support for the Unification National Party.

It is not yet known whether Yi has membership of the UNP, led by Hyundai founder Chong Chu-yong.

The election law prohibits persons having nothing to do with political parties from engaging in election campaigning and bans house-to-house visits to voters by candidates and their electioneers.

Campaigning Distorts Money Flow, Interest Rates

SK1103021392 Seoul THE KOREA HERALD in English 11 Mar 92 p 8

[Text] The flow of money, apparently affected by the heated-up campaigns for the March 24 parliamentary elections, especially involving vote-buying activities, is being seriously distorted, heightening concern over higher inflation, thus shrinking enterprises' facility investments.

The cash-dominated election campaigns have accelerated the exodus of money from domestic financial institutions, including banks, stockbrokerage houses and short-term financing companies, financial experts here say.

Although the liquidity situation seems to have improved substantially in the private sector thanks to the influx of campaign funds, enterprises are facing severe difficulties in attracting loans from financiers for increased facility investment, they say.

The massive influx of money from financial institutions to the private sector is also feared to push up market interest rates, destabilizing commodity prices, other economists say.

According to the latest statistics released by the Ministry of Finance, savings deposits at banks decreased 510 billion won from 62.49 trillion won Feb. 27 to 61.98 trillion won March 4 on an outstanding basis.

During the one-week period, however, demand deposits at banks increased 3.78 trillion won, indicating the swift floating of short-term funds.

Total deposits at short-term financing companies, including cash management accounts (CMA) and discounted bills, also decreased 266 billion won during the seven-day period.

Domestic securities companies also saw customer deposits and bond management funds (BMF) decline by 52.3 billion won and 2.1 billion won, respectively, during the cited period.

Most of the funds from short-term financing companies and brokerage houses seem to be going into electioneering, a securities company official said on condition of anonymity.

The outflow of huge amounts of money from financial institutions has also jacked up market interest rates in recent days.

The earnings ratio for corporate debentures with a maturity period of three years was up 0.1 percentage point from the previous day to 17.7 percent per annum Monday [9 March], and that for monetary stabilization bonds carrying a one-year maturity also went up by 0.1 percentage point to 16.2 percent.

Economists say that it will take much time for financial institutions to absorb the money that is flowing into electioneering.

As a result, domestic enterprises, especially manufacturing companies, are likely to face serious difficulties in gaining access to loans for the time being.

Against this backdrop, the government may have to implement a powerful money-absorbing policy immediately after the parliamentary elections, they say.

Attacks on Offices, 'Mudslinging' Continues

SK1103031292 Seoul THE KOREA HERALD in English 11 Mar 92 p 3

[Text] Campaigning for the March 24 National Assembly elections is becoming violent, with reports of attacks on opponent candidates' office and mudslinging and personal attacks flying thick and heavy.

Three days into the official campaign period, four people were arrested and three booked without physical detention on charges of violating election laws as of yesterday, the prosecution said.

In an attack on a rival candidate, a gang of unidentified men hurled stones at Tongjak A District Chapter's Office of the Unification National Party (UNP) in Sangdo-tong, southern Seoul, around 2:40 a.m. Sunday.

No serious damage was reported in the attack, with four windowpanes of the building broken, said Pak Chong-ku, 28, chief of the public relations department of the UNP.

In Kwangmyong City, Kyonggi-to, two members of the ruling Democratic Liberal Party were arrested on charges of violating the relevant law banning violent acts.

The two DLP campaigners, identified as Yi Kyu-ho, 28, and Cho Chung-kun, 23, are accused of roughing up four regional election management officials who were videotaping the campaigners giving meals to eligible voters.

They forcibly blocked the taping and battered an official, identified as Yim Chong-tae, 29, inflicting injuries requiring two weeks of medical treatment, Kwangmyong police said.

In another case of violence the Seoul prosecution recently sought an arrest warrant against a senior UNP official and booked two party members without physical detention, charging them with election law violation, prosecution sources said.

Editorial Slams Hyundai's Suspended Advertising

SK1103013692 Seoul SEOUL SINMUN in Korean 9 Mar 92 p 2

[Editorial: "Hyundai's Arrogance on Advertisement and Reporting the Truth—Repression of This Newspaper Is Challenge to the Press"]

[Text] The Hyundai Group and its affiliated companies have decided to suspend all of their advertising in SEOUL SINMUN. This decision was made in connection with the SEOUL SINMUN article that criticized the Unification National Party [UNP] led by Chong Chu-yong. This can only be regarded as clear evidence of an attempt to infringe with the power of money upon essential functions of the press—reporting truth and criticism.

The Hyundai Group, through its advertising agent Kumgang Planning Corporation, abruptly canceled the Hyundai Car Service Company and Hyundai Precision Instrument Company advertisements. They had contracted the publication of these advertisments with SEOUL SINMUN for 5 and 11 March respectively. In addition, beginning in March, the Hyundai Group excluded SEOUL SINMUN from the list of newspaper companies publishing the Hyundai Department Store and Hyundai Car Company advertisements.

The Hyundai Group clarified that "it decided to suspend advertisements in SEOUL SINMUN because this newspaper criticized Mr. Chong Chu-yong, representative of the UNP."

We cannot but be stunned by such an unreasonable act by the Hyundai Group. We are also surprised that some people can paralyze the media's reporting of the truth with the power of wealth. One can freely choose the media for advertising one's commodities and enterprises according to the desired purpose for the advertisement. The Hyundai Group's suspension of advertisements in SEOUL SINMUN was decided not by sound common sense but with emotional motives, however.

It is true that SEOUL SINMUN has been concerned with a series of UNP acts and Mr. Chong Chu-yong. The first reason for concern is that all UNP political funds are connected to the Hyundai Group, and with the UNP's emergence which is supported by the power of money, money-dominated election campaigns will be rampant.

Second, management of the Hyundai Group which recently became an issue is becoming worse since the UNP appeared. As everyone knows, with deteriorated international competitiveness, our national economy is in a difficult situation. Even if businessmen invest all of their money in technological development and improvement of enterprises, this money will not be sufficient. This notwithstanding, the act of collecting money from enterprises to disseminate into political circles will spoil simultaneously politics and the economy. This is precisely what concerns us.

Third, the UNP's general election pledges can hardly be realized, and furthermore, these pledges contain factors that delude the world and deceive the people. Mr. Chong once intruded into small and petty businesses by selling bean sprouts. He was charged with violating the fair transaction act by delaying payment to subcontractors. He earned a great amount of profit by building apartments. In his UNP election pledges, he has claimed that he will foster small businesses and will cut in half present apartment prices, however. This is indeed an act that ridicules the people.

The Hyundai Group and UNP should have assumed all this as materials for their self-examination. Instead of doing so, however, they threatened and applied pressure on the newspaper by taking advantage of the advertisement issue, thus attempting to paralyze the unique functions of the press. The Hyundai Group did not do this unreasonable act on its own accord.

The Hyundai Group's explanation has shown that the reason for suspending its advertisement is linked to criticism of the UNP, we consider that Hyundai's unreasonable act was prompted by Mr. Chong Chu-yong's arrogant pressure. This also reveals that the allegations made by both Chong Chu-yong and the Hyundai Group that the UNP and Hyundai Group have no relations with each other are false.

In particular we would like to point out concerning the Hyundai Group's pressure on SEOUL SINMUN, the Hyundai Group itself admitted that the arrogance of large business groups, which accelerated the concentration of economic power, is endless. The large business group tyrannizes even the press—a public instrument. This being the case, it is beyond people's imagination how arrogantly this business group can demonstrate and misuse its financial power. The Hyundai Group should remove now the political bridle of the UNP and make all efforts to tide over the economic crisis. The Hyundai Group should clearly realize that this is the way for it to apologize to the people for its past errors.

In conclusion, we would like to emphasize that if Hyundai thinks that it can threaten and apply pressure on this newspaper by using the advertisement issue, this idea is indeed foolish and silly.

Military Instructed To Preserve Neutrality

SK1103025592 Seoul THE KOREA HERALD in English 11 Mar 92 p 3

[Text] The Defense Ministry has instructed military units not to allow politicians to visit military compounds pending the March 24 parliamentary elections.

The ministry's instruction, issued Monday [9 March], was apparently intended for the political neutrality of the Armed Forces concerning the coming general elections.

In the instruction, the ministry said that officers should not participate in events sponsored by politicians and that campaign leaflets should not be distributed within military compounds.

Late last month, personnel affairs chiefs of the Army, the Navy and the Air Force resolved in a meeting that senior officers should not impose their opinions on soldiers and should refrain from any act or behavior that may influence voting.

A ministry official said that the military is trying to remove old suspicions about irregularities concerning absentee voting of servicemen and officers, and establish political neutrality of the Armed Forces pending the parliamentary elections.

The ministry official said that a total of 557,490 military personnel will participate in absentee voting for the parliamentary elections.

Contrary to the ministry's effort, some military units are under fire because they have conducted "special education" efforts recently stressing the need for social stability and praising the achievements of the Sixth Republic of President No Tae-u.

The Capital Defense Command has provided "lectures" to its servicemen on the nation's recent political history and published pamphlets indirectly denouncing some opposition figures.

In an Army division, company commanders and master sergeants were ordered to "persuade" soldiers to vote for ruling party candidates, according to a division officer who wanted to remain anonymous.

"If that's true, it would be an anachronism," a Defense Ministry official said, "and those involved will be punished."

Envoy to Russia on Amity Pact, Military Ties

SK1103070692 Seoul YONHAP in English 0637 GMT 11 Mar 92

[Text] Seoul, March 11 (OANA-YONHAP)—Russia expects to become an ally of South Korea's and to reflect this relationship in an amity pact to be signed this year, Korean Ambassador to Russia Hong Sun-yong said Wednesday.

"Russia is more forward than we are, meaning it wants more than partnership relations," Hong told a news conference.

On reports that the Russian draft of the amity pact contains a reference to military cooperation, the ambassador said it was too early to consider such cooperation.

"Russia still maintains ties with North Korea," Hong said. "Military cooperation should be left up to future development rather than the amity pact.

"The main element to consider in the amity pact is how it should reflect the relations between countries that share the same values. I am certain that South Korea and Russia will have the same values, such as pursuit of a free, democratic society and a market economy. It is simply a political flow."

The amity pact may be signed when Russian President Boris Yeltsin visits Seoul, he said.

South Korea plans to resume economic aid to the Commonwealth of Independent States as soon as Russia issues a formal letter of guarantee of debt repayment and decides on the distribution of the aid to the former Soviet republics, he told reporters.

Seoul plans to extend a 3 billion-U.S.-dollar economic aid package to the Soviet Union until 1993 but suspended its implementation following its collapse last year.

Hong was appointed chief envoy to Russia last month, replacing Kong No-myong, who was South Korea's first ambassador to Moscow. South Korea and the Soviet Union normalized relations in September 1990.

Hong headed the Foreign Ministry task force seeking diplomatic normalization with Moscow when he was assistant foreign minister between 1987 and 1990.

"Russian Vice President Aleksandr Rutskoy said that his country and the United States are allies," the ambassador said. "He said Russia wants the same relations with Japan and, in the same spirit, with South Korea."

He declined to go into detail about the amity pact agreed on when Soviet President Mikhail Gorbachev met with South Korean President No Tae-u in April last year.

Asked if the name of the pact will include the words "friendly country," he said there would be no problem in doing so.

"Whether the name says so or not, the contents will define each other as friendly countries," he told the news conference.

The priority in South Korea-Russia relations was Moscow's neutrality in inter-Korea relations and settlement of its residual relationship with North Korea, Hong said.

South Korea should focus on promoting Russian movement toward democracy and a market economy, he said.

"This is where bilateral interests coincide," the ambassador said.

Russian Chamber of Commerce Official Interviewed

SK1003130392 Seoul CHOSON ILBO in Korean 7 Mar 92 p 7

[Interview with Stanislav Smirnov, chairman of the Russian Federation Chamber of Commerce and Industry, by reporter Wang Sang-han on 5 March; place not given—first paragraph is reporter's introduction]

[Text] Stanislav Smirnov, chairman of the Russian Federation Chamber of Commerce and Industry who arrived in Seoul on 3 March to discuss the Russian Federation's participation in the Taejon Exposition, returned home on 6 March. Stanislav Smirnov, who is also a member of the Presidium of the Supreme Council of the Russian Federation, met this reporter on 5 March and disclosed that "there is a possibility that Russian Federation President Boris Yeltsin will make an official visit to Seoul after visiting Japan in September this year."

[Wang Sang-han] Will the Russian Federation participate in the Taejon Exposition?

[Stanislav Smirnov] The Russian Federation has already notified the ROK Government of its intent to participate in the Taejon Exposition, though it is unofficial. But, the form and scale of its participation in the exposition have not been decided yet. The Russian Federation's participation in the expsotion will be very significant from the standpoint of widely propagating knowledge about our country externally.

[Wang] What is the Russian Federation's present economic situation?

[Smirnov] Because of our radical economic reforms, our country now faces various difficulties, including food problems. Of course, there are some people who, because of the present difficult economic situation, have complaints about the government and long for the past. People's support for the Yeltsin Government is overwhelming, however. The Russian Federation's situation known to the outside world so far is somewhat exaggerated. Our country's recent social atmosphere has been very stable.

[Wang] What about the ROK Government's $3 billion loans to the former Soviet Union for economic cooperation?

[Smirnov] The provision of the ROK loans has been suspended at present, and the Russian Federation is now exerting active efforts to have the provision of loans resumed soon. I would like to emphasize once again that the Russian Federation has succeeded the old Soviet Union in its rights and duties. We are now studying and reviewing "conditions for resuming the ROK loans" that the ROK Government can accept. We will present them to the ROK Government at the earliest possible date.

[Wang] Will President Yeltsin be able to visit the ROK?

[Smirnov] President Yeltsin is to make an official visit to Japan in September this year. The issue of President Yeltsin making an official visit to the ROK in the capacity of "a state guest" in September following his visit to Japan is now being discussed between the two countries at the working level. So, the possibility of President Yeltsin visiting the ROK is very high.

Russian Foreign Minister To Visit 18-20 Mar

SK1003133392 Seoul YONHAP in English 0817 GMT 10 Mar 92

[Text] Moscow, March 10 (YONHAP)—Russian Foreign Minister Andrey Kozyrev will make an official visit to South Korea March 18-20 as part of a tour of the Far East that will also take him to China and Japan.

In Seoul, Kozyrev will meet with Foreign Minister Yi Sang-ok for talks on the conclusion of a basic treaty defining relations between the two countries. The two countries established diplomatic ties on Sept. 20, 1990.

Moscow will reportedly insist on a relationship more than a partnership and Seoul will maintain that it should be rather a pact of amity and cooperation of a general nature.

Yi and Kozyrev will also discuss the visit to Seoul later this year of Russian President Boris Yeltsin and the resumption of Korea-Russia economic cooperation, suspended late December in the aftermath of the collapse of the Soviet Union.

Russian Vice President Aleksandr Rutskoy voiced the hope in a meeting with Korean Ambassador to Russia Hong Sun-yong early in March that relations between the two countries would develop into an alliance.

PRC Businessmen To Receive Multiple-Entry Visas

SK1103053992 Seoul YONHAP in English 0522 GMT 11 Mar 92

[Text] Seoul, March 11 (YONHAP)—South Korea has agreed to issue six-month multiple entry visas to officials of Chinese businesses living in Korea, the Foreign Ministry said Wednesday.

The agreement reciprocates the same treatment for South Korean businessmen residing in China already granted from this year, the Ministry said.

South Korea and China, yet to establish diplomatic ties, signed a trade pact granting most favored nation (MFN) status to each other last December.

Visa duration will be extended to one year through further negotiations, the Ministry said.

There are 13 branches of South Korean business firms operating in China. China has 10 business branches in South Korea.

Technology Minister Meets Counterpart in Beijing

SK0903094292 Seoul KBS-1 Radio Network in Korean 0900 GMT 9 Mar 92

[Text] Talks between the ROK and Chinese science and technology ministers were held on the afternoon of 9 March at the Great Hall of the People in Beijing. Nineteen delegates from the two countries—including Kim Chin-hyon, ROK science and technology minister, and Song Jian, minister of the Chinese State Science and Technology Commission—participated in the talks.

This is in reality the first ROK-Chinese minister-level talks. The delegation heads of the two countries were of the same opinion that there is a need to conclude an ROK-Chinese science and technology cooperative agreement at an early date, and that it is important to improve relations between the two countries.

Both countries also agreed to promote scientific and technological work based on mutual reciprocity and supplementary cooperation. To achieve this, the two ministers agreed to exchange professional technological investigation teams to each others' countries in the latter part of this year so that specific cooperative work can be negotiated and undertaken. Also, it was agreed that the trade missions in each others countries' will be used as liaison offices.

PRC To Use Official Name, Flag at Trade Show

SK1003022992 Seoul THE KOREA HERALD in English 10 Mar 92 p 8

[Text] China, for the first time in Seoul, will be allowed to use its official name and fly its national flag at a trade show in May, an official at the Ministry of Trade and Industry said yesterday.

The Seoul office of the China Chamber of International Commerce (CCIC) recently asked the Korean Government to allow China to use its official name, the People's Republic of China, in the title of the fair and to raise its flag, he said.

Some 400 officials from 140 Chinese firms, including state-run export and import corporations, will participate in "the trade exhibition of People's Republic of China" at the Korea Exhibition Center (KOEX) May 26-June 1, a CCIC spokesman said.

In May last year, 84 Chinese companies participated in a Seoul trade show held by CCIC.

The Trade and Industry Ministry and the Foreign Ministry are sure to accept the CCIC proposal because China told Korea in January it may use its official country name, the Republic of Korea.

* Concern Over Troubled Economy Increases

* Basic Problems Need Correction

922C0063A Seoul CHUGAN MAEGYONG in Korean 13 Nov 91 pp 39-41

[By reporter Yi Che-kyong: "Prices, Balance of Payments, Growth—Which Should Be Given Priority? The Four Scheduled Elections Pose the Biggest Threat to the Economy; Political, Business and Academic Circles Are Widely Split Over the 'Priority to Prices' Conclusion"]

[Text] It has been decided that, of "the three hares"—prices, the balance of payments, and growth—our economy will go after prices first.

In an effort to untangle the current economic crisis that is all in a snarl, the government on 31 October finally decided to grapple with prices first and, to that end, intensify its total demand management policies. Inasmuch as the decision was prompted by the government's deep concern over the four elections scheduled for next year, the biggest threat to the 1992 economy could be narrowed down to those elections.

As the government is thus shifting the focus of economic management to stepped-up restraints on total demand, some in the business and academic communities—foreseeing the worsening of fund shortages for industries—worry that it will add momentum to the emergence of marginal enterprises. The government, business and academic circles are widely split over how to deal with the three hares.

The argument that for the health of the economy, the nation should liquidate marginal enterprises first, then tighten the belt and make a new start is persuasive in a way.

In Korea, where affiliated firms are entangled in the webs of obligation guarantee and where rates of investment by other corporations are high, company's collapse will very likely touch off a chain reaction of payment failures, however. This makes the boundary of marginal enterprise ambiguous. Against this background, voices are rising within business communities that working on prices is important indeed but it can wait until enterprises that create wealth are rescued first.

The government, seeing price stability as an indispensable step toward sustained growth of the economy, repeatedly stressed that it will apply total demand management policies restricting the money supply and reducing investments.

For the fact that it persists in total demand management policies, instead of using revitalization measures to phase out trade deficits, in spite of the balance of payments deficits, the government has its reasons. Apparently, it has in mind the several elections scheduled to be held next year. Since elections would inevitably involve the supply of funds, the government fears that they could in effect add fuel to the prices that are already soaring.

Growth, the balance of payments, and prices—often depicted as the "three hares"—are organically connected with one another, each being inseparable from the others. An attempt to push up the economic growth rate inevitably produces pervasive effects on the balance of payments and prices; likewise, activities to manage the balance of payments are bound to influence the other two.

Of the three hares, basically growth seems to be no problem because there is no need to employ "supply-side economic policy" to push up the growth rate. This is not to say, however, that the nation has absolutely no problems with growth.

The government projects the 1992 growth at 7%-8%. Apparently, one cannot see such a high growth rate in the economies of any industrialized democracies. The problem is not the growth rate itself but the important thing is its substance. If the real estate market is raking in big money while manufacturing industries are living from hand to mouth, it is simply unacceptable as a healthy economy.

While the government is concerned about prices and the balance of payments, it seems unable to write a clear-cut prescription as to when and where it should start the shock treatment to ensure an effective delivery all the way to peripheral nerves. All it has done was to put forth a plausible policy line that while pursuing total demand management policies, it will readjust the industrial structure and bring about innovation in business management.

What the government has in mind is that it will intensify control on funds as much as possible and keep the price increases at a single digit. At the same time, it seems to be warning that unhealthy businesses will be boldly dealt with and that companies in financial straits should dispose of what they have accumulated in real estate.

For these reasons, the total demand management policy was bound to meet opposition from the business world. Some argue that the attempt to recover the competitiveness of manufacturing sectors while keeping prices in check is wrong. The only wonder drug to prevent a depression, they assert, is revitalization of the economy through a recovery of exports.

Management Focusing on Total Demand Restraints

Indeed, where should we start in combating the current economic crisis which is said to be on the brink of depression? This is a question which—because of differences in individual interests and collective egoism—no one is able to answer readily and firmly.

Then, can the 1992 economic management plan put forth by the government achieve price stability? The answer is in the negative. Every one fears that the four elections will cause prices to soar.

Exports have long been struggling for survival. Even for companies that have barely managed to live on with the help of domestic demands, the domestic demand itself is shrinking as the domestic economy slows down. In the view of business leaders and some scholars, if the elections should be held as scheduled at a time like this, the enormous funds that will be poured into them will effectively spur on the price increases.

In the view of business leaders, the fact itself that the government had the scheduled elections in mind in opting for total demand management indicates that policy-making authorities themselves are skeptical of price stability next year. Consequently, enterprises are as uneasy as they can be and the general public is even more concerned about next year's economy.

If prices rise, all that businesses do will be to increase the prices of the goods they sell. Since the wage increase comes after the price rise, it is not their immediate concern, because there is a considerable time lag between the price rise on manufactured goods and the wage increase demand by workers.

Enterprises can indeed find a breakthrough in raising the prices of their manufactured goods but they will have to face many more difficulties in their business activities.

Just how much additional money will be put into circulation during the period of the four elections? According to an estimate by Yi Han-ku, director of the Daewoo Economic Research Center, it will be approximately 6 trillion won [W] at least. With the annual total monetary inflation rate estimated at 20%, the new money supply will be approximately W12 trillion a year. If W6 trillion is added to it to finance the four elections, it means that additional funds equivalent to 50% of the annual currency supply will be put in circulation. Still fresh in our memory is the wrangling between the business community and the government that was over a mere 1% to 2% gain in the total currency increase rate and its impact on prices. It is also a fact that early this year business leaders begged the government for an additional money supply—they said that even W2 trillion or so would help end the shortage of funds for them—but the government turned down the request, citing a rise in prices as the reason.

It is as clear as day how it will impact on prices if W6 trillion is put out in an additional money supply to take care of the four elections next year.

Since the destiny of the government and the ruling party is at stake in those elections—two local elections, mayoral and gubernatorial, and the presidential election and the National Assembly elections, they will try to hold on to their vested interests by hook or by crook. Naturally, unimaginably large amounts of money will be spent for that purpose. For them, to stay in power comes first; prices are a secondary question and can be put on a back burner.

Because of the feared rise in prices, many people argue that every possible effort should be made to readjust the political agenda. Their voices are receiving favorable responses.

Their standpoint is that the economy should be rescued first, that the nation cannot afford to sacrifice the economy for political reasons. The opposition lashes back at the calls for postponement as an undemocratic maneuver for hanging on to power.

The fact itself that concerns over prices prompted an argument about need to reschedule the elections proves that the government and the ruling party have failed to properly manage the economy. They should first be criticized for it before a postponement of the elections is discussed at all.

Some point out strongly that the presidential and National Assembly elections should be held as scheduled but the two local elections can be postponed.

If a political party should give priority to its party interests and take power, it would find it difficult to hold on to the power in a situation devastated by a runaway inflation.

Despite such economic woes looming on the horizon, they are scrambling for power, creating a situation that is more than detestable.

* Rising Consumer Prices Noted

922C0063B Seoul CHUGAN MAEGYONG in Korean 13 Nov 91 pp 41-44

[By Chang Si-yong, Chaeil Economic Research Center researcher: "Agonizing but Most Pressing Task—A Basic Remedy, Not Play With Numbers"]

[Text] Opinion polls by the press, conducted recently as the "in-crisis theory" gained strength concerning the nation's economy, indicate that our people see price stability as "the task of the moment." The result is seen as reflecting the fact that a large majority of people feel the impact of price increases more directly and with greater sensitivity in their everyday life than any other economic problems, and that on top of it, trends in recent years reminded them of the sufferings from a chronic inflation in the days from after Liberation through the early 1980's. Moreover, over the four national elections scheduled for next year, the Korean society—drawing on experiences in the past elections in which astronomical amounts of money were spent and social disciplines slackened—appears to be pervaded with pessimism that a 1992 price stability can hardly be hoped for. Despite this pessimism in the mood, policymaking authorities give the impression that they are preoccupied with a response centering on price index control rather than a basic remedy for the problem, talking about a single-digit rate of increase.

Impression: Preoccupied with Price Index Control

Meanwhile, other people view the cumulative increase in the balance of payments deficit as the most dangerous sign of the economy at the moment. For causes of the deficit, they cite gains in imports spurred by excessive consumption and an overheated construction boom and the decline in the competitiveness of our products. A fairly large number of people think that the reason why the balance of payments fell into the red lies in the economny's structure. They mean that in the course of pursuing the exports-first policy, the economy had to depend on imports for capital goods and this led to an export pattern that induces imports at the same time. Even if the government's policy focus shifts to domestic demand, they note, the lack of excess supply capacity makes increases in imports inevitable and, therefore, the deficit economy is here to stay for a considerably long time to come.

Meanwhile, observations citing political and social factors as reasons for the nation's economic crisis are also gaining widespread sympathy. The economy has been paying the political and social expenses for the nation's democratization since 1987. And in the course of political democratization, they point out, economic directions have frequently been changed arbitrarily for the sake of political interests, and each time the government leadership and medium- and long-term economic visions were gone.

They explain that the anti-big business climate and the government's inconsistency with economic policies observed during the democratization process had a demoralizing effect on the enterprising mind of entrepreneurs. Also, they continue, the nation has not yet fully developed a sound economic, social awareness and systems to regulate frictions among economic entities and, as the result, distrust and antagonism continue among all the economic entities—the government, businesses, workers, and farmers and fishermen—causing slides in the vitality of the economy.

Thus, a sense of crisis is spreading that our economy may collapse while standing on tiptoe in the intermediate stage before it emerges from the semi-developed status to reach a industrialized-nation level. All agree that there should be efforts begun even now to revitalize the economy and achieve a stable growth before this critical situation takes root, but prescriptions offered conflict with one another, even to the extent that some would say cynically that they do not even know where to start to unravel the problem. Of the three economic tasks—growth, prices, and the balance of payments—the focus, in the following, will be put on prices in a search for a clue to resolving the crisis.

Inflation-Inducing Pattern of Economic Management

On the basis of consumer prices, the rate of inflation in this country was an annual 11.5% in the latter half of the 1960's (1966-69), which rose to 15.2% in the 1970's due to the oil crunch and government policies to foster the heavy chemical industry. It reached 32.2% in 1980, the year of the second oil crunch, but eased to 13.8% the following year. Entering 1982, the rises in prices rapidly slowed down as the government mounted efforts for economic stability in earnest and the raw material prices stabilized at world markets. The inflation declined to 4.7% in 1982, and further to 2.2% in the 1983-86 period, registering the greatest stability ever since the founding of the republic.

The rate of price increase began gaining speed again in 1987, however, advancing to 9.4% in 1990. It was 8.9% this year as of September and will likely reach a 10% level by the year-end. The government is working hard to keep it below 10% this year, too; if successful, it will mark a single-digit price increase for the 10th consecutive year.

The inflation in this country has a few characteristic features. First, while it bears little difference from cases in the United States, Japan and Taiwan in its basic trend as seen in the soaring prices at the times of the first and second oil crunches in the 1970's, and in the stability of the first half of the 1980's and the instability of the latter half of the same decade, the range of price increase in Korea is larger than in those countries. This suggests that the economic management in this country is more vulnerable to inflation.

The second point is that in Korea, the consumer price rise continued to overwhelm the wholesale price increase since 1982 and this phenomenon became even more conspicuous this year. While many people worry about prices, the wholesale prices rose only 2.2% by September this year again—the gain is expected to be 3% or so by the year-end year—but over the same period the consumer prices soared 8.9% which is more than four times the wholesale price increase.

Statistics as of the end of last year show the consumer price increase at 9.4% and the whole price rise at 7.4%, seemingly reflecting a narrowed gap between the two. In fact, the wholesale prices reflected the increases in August and thereafter in the raw material prices at world markets and some domestic petroleum product prices in the wake of Iraq's Kuwait invasion, however.

The source of such disparity between the consumer prices and the wholesale prices can be located in the price index composition. In the case of the wholesale prices, industrial goods account for 79% of all the goods making up the index while agricultural and fishery products take up only 15% and the role of services are negligible. In the composition of the consumer price index, however, agricultural and fishery products occupy 27.3%, and services 39%—for a combined share of two thirds of the whole products involved.

Failure in Management of Surpluses the Biggest Reason

If the inflation in this country should be attributed to increases in the service charges and the agricultural and fishery product prices, what caused those increases since 1987?

First of all, it was the excessive rise in wage. Of service charges, the biggest element is wages. The wage increases surpassing the productivity since 1987 worked as pressures pushing up both the public and private rates and such gains were directly passed on to prices. Furthermore, since the wage increase is the biggest factor contributing to rise in the production cost in agriculture and fisheries which remain labor-intensive in this country, they triggered advances in the prices of farm and marine products.

Secondly, they were caused by the failure in the management of surpluses. For four years 1986-1989, our economy recorded an annual $30 billion balance of payments surplus. It was only four years of surpluses that came after the more than 40 years of deficits; nevertheless, the government, unable to overcome its shortsightedness, saw it as the arrival of a lasting surplus trend, prematurely shifted to surplus-oriented economic management and replaced the export-first policy with domestic demand-oriented management.

A management pattern stimulating domestic demand finds expression in increases of consumption and investments in construction. Thus, the demands for imports rapidly increased. Meanwhile, the government and business communities failed to make timely efforts to convert current account surpluses into overseas investments, allowing the surplus income to find its way into speculative transactions. The waves of real estate speculations and excessive consumption that swept the nation brought on an inflation as they spurred rises in the house rents, which account for 11.4% of the consumer price index, and in the demands for agricultural and fishery products and services. In other words, the failure in the management of surpluses led to balance of payments deficits, and to inflation.

The third cause was bottlenecks in supply that increased progressively. The excessive financial retrenchment and fiscal reductions in the Fifth Republic era resulted in setbacks in plant and equipment investments in the private sector and deficiencies in social overhead capital and public services. In the Sixth Republic, too, private firms failed to increase their plant and equipment investments because of labor-management disputes and the anti-business atmosphere, while investments in infrastructure and public services remained at a standstill. As a result, there was no expansion of supply to meet the increased demands and this worked as another pressure to push up prices. In addition, the failure to upgrade physical distribution systems including transport facilities, harbors and ports caused prices of agricultural and fishery products and services to rise.

Then, what policy tasks are there to be grappled with to achieve price stability? And how can the macroeconomic goals be attained through them?

The first thing that can be considered to curb inflation is continuation of retrenchment as the keynote. Although retrenchment is an agonizing process yielding no quick effect in eliminating pressures for the price rise, the government should take the lead and set the example of fiscal retrenchment, thereby creating an austere atmosphere in the whole society. By so doing it will be able to curb the tendency of excessive consumption among the public and check the abnormal expansion of service industries. If the service industry expansion can be checked effectively, it will, among other things, greatly contribute to resolving manpower shortages in the manufacturing sectors, and to creating sound economic structures centering on the nation's manufacturing industries.

Next, all-out efforts should be made to upgrade social overhead capital. Fiscal retrenchment and upgrading of social overhead capital may appear to conflict with each other but, in fact, the social overhead capital investment in the 1992 budget is only 12.6% of the general expenditure. The government should further expand its social overhead capital investment while boldly reducing rigidity in expenses. The economy has reached a juncture where it can no longer support itself without upgrading physical distribution systems including roads, harbors and ports. This situation is well reflected in the current advances of consumer prices.

Third, each economic entity is required to make efforts to keep wage increases within the limits of productivity. It is simply impossible for the nation's economy to pay the highest wages among all the developing countries and yet be competitive at world markets. It makes no sense to expect price stabilization without controlling the high wages first. The biggest victim of inflation is the general public.

Fourth, real estate prices should be stabilized on a sustained basis. Rises in those prices are the deadliest foe that not only fans inflation but also harms industries' producing activity and the sound spirit of capitalism. All the possible tax and financial measures should be employed to prevent real estate prices, currently showing signs of stabilization, from shifting to an upturn again.

Fifth, environments encouraging business activity should be created. In recent years, there has been an anti-business atmosphere in our society making it impossible to work out long-term investment and business programs. The Sixth Republic promised business deregulation but still one can hardly find areas left free from the government's regulatory hands. The government's excessive involvement should be reduced and there should be no such things as business activities negatively affected by political interests. Only then will come a revival of entrepreneurship to lead capitalism.

If the above-listed price measures are implemented effectively, it can be hoped that the national rate of savings will again turn upward on the basis of price stability. The biggest foe of savings is inflation; therefore, it is impossible to expect an upturn in the savings rate without price stabilization first. An upswing in the nation's savings has the effect of restraining import demands and inducing increased investments in export industries to generate improvement in the balance of payments. As a result, the growth of the economy will become a more solid one, it is believed. Therefore, the government is asked to concentrate on restraining the inflation as a key to resolving the current difficulties in the nation's economy and take all the necessary measures to that end.

* International Trade Deficit

922C0063C Seoul CHUGAN MAEGYONG in Korean 13 Nov 91 pp 44-47

[By Nam Chu-ha, Korea Economic Research Institute researcher: "Shoring Up the Export Competitiveness Most Important; Stabilizing the Interest Rates and Maintaining an Appropriate Exchange Rate a Pressing Demand"]

[Text] After a brief rebound from April through June, the nation's exports began falling off again rapidly in July. There are no signs of the trade balance improving significantly in the near future as the size of deficit is expected to reach over $9 billion by the year-end.

The overheating of the domestic economy spurred by a construction boom and rises in the consumer spending, chiefly on durable goods, led to gains in imports. Meanwhile, in exports, manufacturing industries lost the competitive edge because of the high wages and the high interest rates. These factors contributed to the growth of trade deficits.

This year in particular, the growth rate of imports exceeded 20% but that of exports remained at a 10% level, revealing the structural problems inherent in our export industries. In exports, the growth rate continued to decline so drastically since 1989 that trade deficit is perceived to be a structural, long-term problem of the economy reflecting the falling competitiveness of Korean products rather than a temporary phenomenon.

The growth rate of exports that began to fall following the 1986-88 so-called Three-Low era exhibited the vulnerability of our export industries. But the government refused to change its easygoing attitude to date. Lately, it concluded that the growing balance of payments deficits were touched off by radical increases in imports from the opening of domestic markets and an overheated economy. It then launched total-demand management policies restricting foreign exchange loans and cutting back on the currency in circulation rather than waging more basic measures to improve the export competitiveness. The higher interest rates thus caused have led to further slides in the competitiveness, producing adverse effects on efforts to resolve the problems. Therefore, as regards the direction of the nation's macroscopic policy, greater emphasis should be placed on waging more positive programs to promote exports for boosting growth potential, although quantitative readjustments of imports are also necessary.

Ways to Improve the Balance of Payments

1. It is urgently needed to shift from a total demand management policy relying on currency deflation to an interest-rate stabilizing policy.

1) Problems with total demand management:

The government seems to be focusing on a stepped-up total-management policy to reduce the balance of payments deficits, getting the overheated economy to cool off, and on stabilizing prices. Especially, it is attempting to intensify currency deflation measures to curb the price increases and get the construction boom cool off, and thereby to substantially reduce imports. It is highly possible that total demand management policies based on currency deflation at this juncture will further weaken the competitiveness of manufacturing sectors and erode growth potential, far from bringing about the kind of price stabilization or balance of payments improvement as expected by the government.

The government seems to believe that the currency deflation will get investment and consumption demands to shrink and thereby induce improvement in the price and balance of payments situation.

A look at the recent price increases reveals that while industrial goods are stable at 4.6%, however, agricultural-livestock-fishery products and services take the lead in the rise, respectively, with 16.7% and 13.9%.

This apparently shows that three price rise factors are coexisting—the seasonal factor coming from the unbalanced demand and supply in agricultural and fishery products, the gain in the real national income from the high wage, and the increased consumer spending—and that the recent advances in prices are not closely related with the monetary factor.

In particular, a cutback on the currency in circulation to suppress the investment demand will weaken plant and equipment investments, although it could in part stabilize the construction market. Consequently, it will quite possibly reduce the supply capacity and weaken the price competitiveness and thereby erode growth potential, far from improving the price and balance of payments situation.

Therefore, a short-term currency deflation through total demand management will possibly lead to shortages of supply coming from the erosion of growth potential in two or three years' time, creating far worse problems with prices and the balance of payments than we have now. Therefore, among the policy options available now, to strengthen the competitiveness of manufacturing industries and thereby revitalize growth potential—instead of striving for short-term price stabilization—should be top priority.

2) Buildup of economic strength by ending the high interest rates and shortage of funds:

In order to improve the competitiveness of manufacturing sectors at world markets, it is urgently needed to bring down the high interest rates and end the shortage of funds. The interest level for business in this country is two to three times higher than that in major rival nations. This has become a serious impediment to the competitiveness in exports.

Especially, the high-interest trend that started late in 1990 spurred the rates to a record high since 1981 under the government's monetary management, accelerating the slides in the product competitiveness of manufacturing industries.

A look at changes in the real interest rates shows that the nominal rate rises in the latter half of 1990 and in the April and the September rounds this year were prompted by increases in the real rates reflecting the fund shortage from the currency deflation, rather than it was a Fisher effect of the price increases.

At a time when the recent advances in prices have been caused not by any monetary factors and when the rise in the real interest rate, triggered by the currency deflation, is hurting the competitiveness of manufacturing industries, the government has launched programs resorting to a high interest rate to cool off the investment demand

and stabilize prices. The programs, however, can possibly aggravate the current fund shortage and fan the high interest rates, spawning fears that the rise in the business cost of funding thus generated would push up the prices even higher and leave the slides in the product competitiveness to continue unabated.

Therefore, policy emphasis should be placed on conducting the money supply in a timely manner to help ease the rises in the interest rates and relieve the manufacturing sectors of the fund shortage, and on positively investing funds thus supplied for automation and technology developments to improve productivity and shore up the export competitiveness.

Stating the conclusion first, at this point of time it is indeed necessary to control imports to help erase the balance of payments deficits. More importantly, however, now is the time to mobilize every possible policy resources to strengthen the price competitiveness.

2. The exchange rate needs to be kept at an appropriate level.

1) An appropriate level of the rate:

From the time the market-average exchange rate system was first introduced in March 1990 to September this year, the won rate against the U.S. dollar had increased only within narrow limits despite the steep rise in the current account deficit. The reason: Since the won rate is determined by the overall balance of payments (the current account balance plus the balance of capital account), it does not precisely reflect change in the current account balance; even when the current account balance was in the red, the balance of capital account was in the black until recently due to factors including foreign loans acquired. Consequently, the market-average exchange rate hardly maintains a close link with the current account balance and is gradually losing the function as its regulator.

Then, what is the par exchange rate against the dollar under the market average system? To determine an appropriate exchange rate, it is necessary to figure out a won rate that can balance the nation's current accounts. The average part exchange rate thus calculated for 1990 is 780. This is a nominal par exchange rate of won against the dollar that can put the real exchange rates—which were calculated by using trade weights figured out from the amounts of trade with seven major trade-partner nations in 1990—into a state of equilibrium. In comparison with this par exchange rate, it appears that the 1990 rates represented an overvaluation by about 9%.

2) Calculation of the trade balance by applying the par exchange rate:

While inducing a devaluation of the won currency is needed to resolve the current account deficit problem, how an increased won rate will affect exports and imports is unclear. On account of the so-called J-curve effect, there is no telling whether an upped exchange rate will 100% push up exports and reduce imports at the same time or, if it does, how much it will improve the current account balance.

The reason is that when the devaluation would prompt exporters to delay their exports as much as possible for exchange profits while importers would strive to expedite their imports in every way to reduce the payments. This process, therefore, makes it difficult to expect a quick improvement in the current account balance, even with a devaluation. It takes some time before a devaluation shows its effect of pushing up exports and lowering imports.

In this country, too, an exchange rate increase will likely entail the J-curve effect. Also, as the exchange rate increase is in the long run absorbed into domestic prices, it is effective only as a short-term prescription for improvement in the current account balance but not as a basic, long-term measure.

Then, how much should the exchange rate be increased to bring about a downturn in the present current account deficit?

Positive analyses indicate that in order to balance the $2 billion in trade and current account deficits recorded in 1990, a devaluation by approximately 3% is needed in the real exchange rate in 1991. In other words, a 3% devaluation in the real exchange rate will generate an approximately $2 billion gain in exports and reduce imports by about $900 million, and thus an improvement in the current account balance by $2.8 billion to $3 billion.

This computation shows that if the par exchange rate is raised to a 780-won level against the U.S. dollar, it can be expected that the nation's trade deficits, currently close to $9 billion, will be reduced significantly.

3) Improvement in productivity through technology development:

Of all the factors responsible for the sluggish exports since 1989, most important is the drastic fall in productivity caused by the laxity in the work attitude of our workers and the nation's neglect of technology development. Even if funding is guaranteed by a fair interest rate and the exchange rate is maintained at a reasonable level, it is impossible to improve productivity should workers be unwilling to cooperate. More seriously, business communities were recently lagging in their efforts for technology development in spite of the fact that higher productivity and quality control were an essential requirement for being competitive against industrialized countries. The technology development index, taking the United States as 100, shows Japan at 61.2, and Korea at a meager 4.9 indicating shortcomings in the technological innovation effort. On the other hand, in the reliance on foreign technology, the contrast is equally striking: the United States 1.1%, Japan 6.1%, and Korea 21.1%.

Competitiveness of Manufacturing Industries Top Priority

The present balance of payments deficit was already forecast two years ago in 1989. Following the Three-Low era, exports slowed down rapidly to bring on the serious problem of trade deficit as we have now. The situation calls for more fundamental, longer-term measures to improve the balance of payments situation.

To rely on a tight money policy to ease the balance of payments and high price problems now can cause an erosion in growth potential and setbacks in productivity, which will in turn create new problems for the balance of payments and prices in two or three years' time.

Therefore, This is no time to employ separate policy instruments to resolve the balance of payments, prices, and growth problems but to give policy priority to boosting the nation's growth potential by improving the competitiveness of manufacturing industries. If this approach is used, the balance of payments and price problems can be resolved automatically.

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* Means for Resuming Growth

922C0063D Seoul CHUGAN MAEGYONG in Korean 13 Nov 91 pp 47-48

[By Prof. Yi Sang-man of Chungang University: "Weakening of Manufacturing Industries and Structural Distortions Are the Problems; Flow of Funds Should Be Redirected to Production"]

[Text] Our economy, which registered as much as $33.7 billion in current account surpluses in the 1986-89 period, recorded $2.2 billion in current account deficit last year. Again this year, it has so far marked $7.9 billion in the red, an all-time record high. The price increase has also reached 8.9%, the highest level in the past decade. In the economic growth, too, the structural shift from an economic growth led by manufacturing industries and exports to one centering on service industries and domestic demand raised some problems.

Those problems—high prices, balance of payments deficits, and distortions in the growth structure continuing since last year—are serious in nature because they are structural phenomena touched off by the falling competitiveness of enterprises rather than temporary ones reflecting cyclical fluctuations.

Imbalance in Growth Deepening Since 1989

As for the growth, the nation's economy continued to grow this year, marking a 9% rate in GNP for the first half of the year. Despite the high growth rate, a sense of crisis is mounting, a phenomenon difficult to understand at first glance.

A close look at data for the first half-year period reveals a high growth of construction and service industries, 18.4% and 10.5% respectively, against the manufacturing industries' 7.8%. Meanwhile, although exports were more or less on the rebound in this period, recording a 11.8% gain over last year, imports increased by a wider margin of 17.7%. In addition, as a result of consumption growing faster than savings, the domestic gross savings rate remained at 33.7% and is likely to be below the gross investment rate for the second consecutive year.

In short, this year's growth is structurally characteristic in that construction and service industries and consumer activity took the leading role in place of exports, manufacturing activity and savings that remained sluggish. This type of change in the growth structure first surfaced in 1989, indicating a structural shift from growth relying on exports and manufacturing industries to one centering on imports and domestic-demand industries.

Meanwhile, as regards the contributions to GDP, the contribution of domestic demand to growth increased from 10.9% in 1988 to 13.4% in 1989 while in the same period that of exports plummeted from 0.5% to minus 7.8%.

Also, a look at the contributions of gross fixed capital formations to growth reveals a leading role being played by construction investment in contrast to the weak plant and capital investment by the manufacturing sector. Thus, the unbalanced structure of growth as seen in the export slump on one hand and the leading role of a boom in domestic demand, consumer industries and construction activity on the other has continued to deepen since 1989. Also, a breakdown of the growth based on business analyses shows the gain in the sales of domestic-demand industries last year at 20.8% against a meager 13.2% in the case of export industries. The basic tone led by domestic demand since 1989 is still continuing this year.

In the ordinary profit rate, domestic demand industries and export industries recorded 2.6% and 1.5%, respectively, showing that the movement of resources to domestic demand markets was a natural outcome.

Of the complex factors responsible for this distortion in the growth structure, most characteristic is the bubble phenomenon of the economy touched off by the 1986-89 failure to properly manage the accumulated surplus and by the soaring real estate prices in its wake. A significant portion of the cumulative external surplus in this period was consumed for real estate rather than for plant and equipment or R&D investments to improve productivity.

This kind of distortion in the distribution of resources, coupled with the high-wage trend, lowered the labor productivity of manufacturing industries and the efficiency of plant and equipment investments and basically weakened the competitiveness of our businesses at world markets, causing the export slump.

The bubble phenomenon of the economy became increasingly visible as external surpluses began showing up in earnest. Over the three-year period, the national average of real estate price jumped by an annual 20 percent and, in major cities across the country, the land

and house prices soared three to four times on average, even 10 times in some places.

The unearned income from the real estate boom distorted the flow of funds, causing them to flow into non-producing sectors. This led to a fund shortage in the producing sector, pushing up the actual market interest rate to over 20%. This high interest level and the high prices and wages are working as the chief factors (called the Three-High phenomena) weakening the competitiveness of our industries.

Meanwhile, the construction boom and the increases in the disposable income in the family budget and in the real estate value produced prosperity for domestic demand industries, drawing manpower, materials and funds into these industries lopsidedly and thereby causing serious shortages of them all, the three factors of production.

An Appropriate Growth Rate Is 7.5%

As regards policy measures to boost growth potential and the export competitiveness, first of all, the growth rate should be reduced to an appropriate level of 7.5% by which to restrain excess demand and stabilize prices; secondly, this should be followed up with institutional efforts including tax and credit measures to turn the flow of funds back into the producing sector; and thirdly, the retrenchment tone should be maintained in the monetary and fiscal policy and measures taken to spur a turnaround of resources from the domestic demand sector to export industries, including a devaluation in the exchange rate.

Brunei, Malaysia & Singapore

Malaysia

Burmese Muslim Exodus Termed Great 'Tragedy'

BK1003103492 Kuala Lumpur Voice of Malaysia in English 0800 GMT 10 Mar 92

[Station commentary]

[Text] The plight of the Rohingya Muslims of Myanmar [Burma] is causing deep concern to the Government and people of Malaysia. The prime minister and the foreign minister have expressed the nation's misgivings over developments in the Myanmar-Bangladesh border region. Reliable reports [words indistinct] say that at least 150,000 Muslims have fled across the border into neighboring Bangladesh. The exodus continues, with at least 5,000 every day attempting to reach the other country. This is a great human tragedy. The fact that the problem [words indistinct] only a minority community belonging to a particular religious faith makes it all the more serious.

The Malaysian Government will support any decision taken by the United Nations in this matter. Foreign Minister Datuk Abdullah Ahmad Badawi has also commented on the impact of the refugee flow on the economy of Bangladesh. The sudden influx of impoverished and harrassed people in large numbers will undoubtedly cause serious problems for (?all countries). In the case of Bangladesh, there are bound to be more severe consequences. The country has barely recovered from the effects of a devastating cyclone. In any case, Bangladesh is already an overcrowded territory. The Myanmar refugees have to be given food, shelter, and medical treatment. Many are said to be suffering from communicable diseases like dysentery. The scenario is nothing short of a nightmare. The UN High Commission for Refugees cannot be expected to contain this problem. It already has a great deal to cope with in different parts of the world. More or less, it is sufficient for the UN to pass a resolution of sympathy for the Rohingya Muslims. They are citizens of Myanmar, and their right to live peacefully must be recognized. The Rohingyas claim that they have been living in the Arakan region for centuries, and upon attainment of independence, the Myanmar Constitution accepted the existence of the Rohingyas as a separate community that was entitled to manage its own internal affairs. But in fact, the Rohingyas have faced various degrees of persecution in the last 30 years. [words indistinct] was nothing compared to the forced exodus now under way. The world body should monitor the situation more closely and devise measures to stop what amounts to a genocidal development.

Datuk Abdullah Badawi has pointed out the grave concern over Rohingya Muslims does not constitute interference in Myanmar's domestic affairs. The refugee outflow, with its ripple effects on neighboring countries, can easily lead to regional tension. The Government of Myanmar cannot escape responsibility for this state of affairs. The refugees should be induced to return. But they will need to be given assurances that they will not encounter any problems. The media are carrying ghastly reports of looting, rape, and killings. The world is more sensitive to human rights these days. Also, news of violation of human rights spread fast. The collective conscience of mankind should make its influence felt on Myanmar. Malaysia will, for its part, support all practicable measures to alleviate the plight of the Rohingya Muslims.

Envoy Summoned Over 'Oppression'

BK1003141492 Kuala Lumpur Radio Malaysia Network in English 1330 GMT 10 Mar 92

[Text] Wisma Putera [Ministry of Foreign Affairs] has summoned Myanmar [Burmese] Ambassador U Ko over the problem of Rohingya Muslims who have been forced to flee Myanmar to Bangladesh. The ministry deputy secretary general, Datuk Abdul Halim Ali, explained to U Ko Malaysia's grave concern over thousands of Rohingya Muslims who had to flee the country. Malaysia has asked Myanmar to immediately cease the oppression of the Rohingya Muslims and be prepared to accept them back. In the meeting, Datuk Halim handed over an aide-memoire on Malaysia's stand on the matter to U Ko who said he would convey the information to Yangon [Rangoon].

Latest reports indicate that Myanmar has stepped up security along its border with Bangladesh to prevent the return of more than 170,000 Muslims who had gone across [the border]. Rohingya Muslims have been fleeing to Bangladesh from the Arakan Province since last June, carrying tales of atrocities of the Myanmar military.

Meanwhile, the UMNO [United Malays National Organization] Youth International Affairs Bureau said it would organize the Myanmar Muslim Refugee Relief Fund to be launched tomorrow by UMNO Youth head Datuk Sri Najib Tun Razak. DAP [Democratic Action Party] Secretary General Encik [Mr.] Lim Kit Siang said Wisma Putera's summoning of the Myanmar ambassador to state Malaysia's stand on the matter had the support of all political parties and the people.

In another development, Bangladesh High Commissioner Major General Muzammel Hussein denied that the Rohingya Muslims, who had fled Myanmar, were Bangladesh citizens. He says there is no reason for Bangladeshis to migrate to Myanmar because that country is not a highly industrialized country. Gen. Muzammel was commenting on press reports quoting U Ko that a large number of Rohingya Muslims, who had fled into Bangladesh, were actually illegal immigrants.

Singapore

Russian Parliamentary Team Pays Visit

BK1003154092 Singapore THE STRAITS TIMES in English 9 Mar 92 p 22

[Text] A Russian parliamentary team is now in Singapore for a three-day official visit.

Led by Mr Yuriy Yarov, deputy chairman of the Supreme Soviet of the Russian Federation, the eight-member delegation will call on the Speaker of Parliament, Mr Tan Soo Khoon, and the Leader of the House, Mr Wong Kan Seng.

The Clerk of Parliament announced on Saturday that the team will also hold discussions with Mr Bernard Chen, the chairman of the Government Parliamentary Committee [GPC] for Defence and Foreign Affairs.

Visits to the People's Association, Port of Singapore Authority, Housing and Development Board and Sentosa island have been arranged for them, the Clerk said.

The team was met on arrival by Dr Tan Cheng Bock, the leader of the Singapore-Europe Parliamentary Group, and Mr Goh Chee Wee, Labour GPC chairman.

Cambodia

U.S. Assistant Secretary of State Arrives

BK0903054392 Phnom Penh SPK in English 0428 GMT 9 Mar 92

[Text] Phnom Penh SPK March 9—Richard H. Solomon, assistant secretary of State Department of the United States, arrived here today [9 March] for a three-day official visit to Cambodia.

The U.S. Assistant Secretary is due to meet with Premier Hun Sen, Foreign Minister Hor Namhong, and call on Prince Norodom Sihanouk, chairman of Cambodia's Supreme National Council, and Party Chairman Chea Sim. He is scheduled to hold talks with heads of the United Nations Advance Mission in Cambodia Ataul Karim and Gen. Loridon.

The U.S. delegation will visit the refugee reception centers and the Angkor Wat temples complex in Siem Reap Province.

Consults With Hun Sen

BK1103104792 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 0430 GMT 11 Mar 92

[Text] During their visit to the State of Cambodia [SOC], His Excellency [H.E.] Richard Solomon, U.S. assistant secretary of state in charge of East Asia and Pacific affairs, and other members of his delegation accompanied by Charles Twining, U.S. special representative to Cambodia, had a working consultation with H.E. Hun Sen, chairman of the SOC Council of Ministers and member of the Cambodian Supreme National Council, at the office of the Council of Ministers at 1630 on 9 March. Also present were Mr. Long Visalo, deputy foreign minister, and Cham Prasit, Uch Kim-an, and Im Sothi, deputy ministers attached to the Council of Ministers.

H.E. Hun Sen warmly welcomed his guests and briefed them on a number of issues on the Paris peace accords, including the SOC faction's efforts to cooperate in solving the U.S. POW and MIA problem on a purely humanitarian basis and their efforts to implement the peace accords in spite of many difficulties. He talked about the desire of the SOC and all Cambodian people to see the implementation of the peace accords proceed rapidly, including 70 percent dissolution of the armies of all factions, the refugee repatriation program, the UN Transitional Authority's presence, freedom of expression, freedom of the press, a multiparty system, and the release of political prisoners.

On that occasion, H.E. Richard Solomon thanked the SOC Government for giving him a warm reception and creating favorable conditions for the U.S. representative's office to successfully carry out its tasks. He also thanked the SOC for their good cooperation in solving the U.S. POW and MIA problem. He reaffirmed the U.S. policy of resolutely opposing the return of the past catastrophe to Cambodia. He said the United States wishes to see Cambodia revived in peace and democracy. The United States supports the peace plan and wishes that it be correctly implemented to end the war and suffering of the Cambodians once and for all for the sake of Cambodia's bright future and prosperity.

UN Envoy Kibria Holds Talks With Hun Sen

BK1003043992 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 9 Mar 92

[Text] At 1400 on 9 March at the office of the Council of Ministers, His Excellency [H.E.] Hun Sen, vice chairman of the Cambodian People's Party, chairman of the State of Cambodia's Council of Ministers, and member of the Cambodian Supreme National Council, received and held cordial talks with H.E. Kibria, special representative of the UN secretary general in charge of humanitarian aid for the Cambodian people and executive secretary of ESCAP [Economic and Social Commission for Asia and the Pacific].

Speaking during the talks, H.E. Hun Sen expressed profound thanks to H.E. Kibria for his efforts to find humanitarian aid from various countries to help the Cambodian people. H.E. Hun Sen called on H.E. Kibria to help solve the Cambodian people's problems, including the repatriation of Cambodian refugees from camps along the Cambodian-Thai border, transport means, rice seeds, and assorted material serving agriculture, and mine-clearing in Cambodia.

Replying, H.E. Kibria affirmed that he will convey Hun Sen's request to the UN secretary general and the problems faced by Cambodia. He further said that although his mission has ended, he will continue to do all he can to help Cambodia. H.E. Kibria asked H.E. Hun Sen to consider him a good friend of Cambodia.

Meets Sihanouk, Hor Namhong; Departs

BK1103065792 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 2300 GMT 10 Mar 92

[Text] His Excellency [H.E.] Kibria, special envoy of the UN secretary general in charge of humanitarian aid, ended his 24-hour visit to Cambodia at 0900 on 10 March. During this visit, Kibria had talks with His Royal Highness Prince Norodom Sihanouk, head of state and chairman of the Cambodian Supreme National Council [SNC]; and H.E. Hor Namhong, State of Cambodia [SOC] minister of foreign affairs and SNC member; and paid a courtesy call to H.E. Hun Sen, vice chairman of the Cambodian People's Party Central Committee, chairman of the SOC Council of Ministers, and SNC member.

Deputy Prime Minister Meets Russian Ambassador

BK1003070992 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 2300 GMT 9 Mar 92

[Text] On the afternoon of 7 March at the office of the Council of Ministers, Prince Norodom Chakkrapong, vice chairman of the State of Cambodia's Council of Ministers, received His Excellency [H.E.] Yuriy Myakhotnykh, ambassador extraordinary and plenipotentiary of the Russian Federation to Cambodia.

Prince Norodom Chakkrapong informed H.E. Ambassador on the progress of the implementation of the 23 October 1991 Paris peace agreement. Prince Norodom Chakkrapong said that on behalf of the Cambodian People's Party [CPP] and the State of Cambodia's Government, he would like to express profound thanks to the Russian Government for its major contribution to promote the search for peace in Cambodia. He said from now on the two countries will strengthen the relations of solidarity and friendship and will further improve economic and trade cooperation.

Replying, H.E. Myakhotnykh praised the CPP and the State of Cambodia's Government for their sincere stance in implementing the peace agreement to reconcile the nation. He expressed the hope that under the leadership of His Royal Highness Prince Norodom Sihanouk, chairman of the Cambodian Supreme National Council, peace and national construction will certainly take place in Cambodia.

Tie Banh Assures Indonesian Forces of Cooperation

BK0603082392 Phnom Penh SPK in French 1133 GMT 5 Mar 92

[Text] Phnom Penh 5 Mar (SPK)— "The participation of the Indonesian forces in the purview of the UN peacekeeping mission in Cambodia by virtue of the Paris accords constitutes a mission of historic significance for Indonesia," affirmed Colonel Jusuf Domi, chief of the General Staff of the Indonesian Armed Forces during his meeting in Phnom Penh on Tuesday, 3 March, with General Tie Banh, minister of national defense of the State of Cambodia.

Mr. Jusuf Domi, whose is visiting to prepare the ground for the upcoming arrival of 850 Indonesian soldiers, pledged to closely cooperate with the Cambodian forces and people in order to carry the Cambodian peace plan through successfully.

For his part, Gen. Tie Banh welcomed the unit of the Indonesian Armed Forces and promised to create all favorable conditions to enable the latter to successfully accomplish their mission.

The delegation left Phnom Penh Wednesday.

Two Recent Sihanouk Speeches Reported

Addresses Liberated Zone

BK1003113192 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 9 Mar 92

[Speech by His Royal Highness Prince Norodom Sihanouk, head of state of Cambodia and chairman of the Cambodian Supreme National Coucil, to compatriots and representatives of international organizations during a "recent" visit to Phum Trom-Ampil, Oddar Meanchey Province; recorded—italicized passages in either French or English as noted immediately following individual passages]

[Text] The respects of Samdech Euv [Prince Father] go to all compatriots, grandmothers, grandfathers, aunts, uncles, sisters, brothers, children, grandchildren, and great-grandchildren who are most beloved and missed by Samdech Euv and Samdech Me [Princess Mother]; my respects to the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] Party and its chairman His Royal Highness Prince Norodom Ranariddh and its honorary chairman His Excellency Samdech Nhoek Chulong as well as Princess Marie Ranariddh and all my children and grandchildren who are gathering here around me and my wife and who are the most beloved and missed by *daddy* [in French], Samdech Euv, and Samdech Ta [Prince Grandfather]; my respects to all guests of honor and foreign friends representing the United Nations, humanitarian organizations, and other friendly organizations and representing the big countries and friendly countries; my special respects to His Excellency Ataul Karim, head of UNAMIC [UN Advance Mission in Cambodia], His Excellency General Loridon, and all personalities who are the outstanding members of UNAMIC, particularly those from the UNAMIC Office based in this FUNCINPEC liberated zone; my respects to Their Excellencies the ambassadors representing the five permanent members of the UN Security Council and Madames; my respects to His Excellency the ambassador of Indonesia, the great friend of Cambodia and cochairman of the Paris International Conference on Cambodia; my respects to other excellencies and friends, such as His Excellency Imagawa, ambassador of Japan, and all Their Excellencies the ambassadors coming from Phnom Penh and Bangkok, capital of the Kingdom of Thailand; my respects also to our good Thai friends who are our brothers coexisting with us in great friendship; my respects to all excellencies and gentlemen representing the International Committee of the Red Cross, representing the *High Commissioner for Refugees* [in English], representing *humanitarian aid agencies* [in English], representing UNDP [UN Development Program], and representing all international organizations, *international and UN organizations* [in French].

It rains! This is marvelous, my children! [cheers and applause] According to our ancestral belief, when it rains in this dry season, it is a good omen. The gods, deities, Indra, Brahma, and the Three Jewels must be blessing our Cambodia and all my children and grandchildren. It seems that it is not just the winds blowing; it is really raining. It is refreshing. It has been raining for already three days now. This is wonderful. Yes, Father is very glad; Father is very impressed.

My respects thus go to His Royal Highness the prince chairman, His Excellency the chairman, the Samdech honorary chairman, all children and grandchildren, and all excellencies and madames who are our guests of honor. My respects also go to ladies, gentlemen, misses from the press, *national and international press.* [in French] I would like to tell you of the following:

I, Samdech Euv, am very satisfied, greatly delighted, and tremendously moved to meet with all of you from FUNCINPEC which is my own child, for I have conceived FUNCINPEC myself. [cheers and applause] Some of you have asked me: What if the party's name is not Sihanoukist? How would the people know [that it is Sihanoukist]? All eight million people know very well that FUNCINPEC is my own child because I have conceived it myself. [Sihanouk laughs] [applause, crowd cheers "Long Live Samdech Euv!" and "Long Live FUNCINPEC!"] Therefore, there is no need. The problem is solved. Just a single word from me and it is settled. [Sihanouk laughs] [applause]

Now, I would like to tell you that the political platform of FUNCINPEC is excellent. I thank you. Yes, I thank you very much. [cheer and applause] I admire it. However, if you win the elections, please do not hand power over to me. Anyone of you who wins the elections should take care of it. I am neutral. I would like to express my best wishes to all of you, my children from FUNCINPEC, those from KP [short for KPNLF—Khmer People's National Liberation Front], those from the SOC [State of Cambodia], and those from the PDK [Party of Democratic Kampuchea]. I wish all of you win the elections. *Let the best win.* [in French] As they say in French: *Let the best win.* [in French] What does this mean? It means that the one who is most correct, most suitable and who knows best how to please the people and make them confident in the future of the nation will win, my children. I thus wish all of you the best and *let the best win; all that is very democratic.* [in French] That is called liberal democracy. [applause]

Now some may ask that if Samdech Euv does not accept power, what will he become? No, do not worry. Samdech Euv does not lack work to do. Even now when I wield no power at all, I have work to do all day and all night. I barely survive nowadays. I do not know how many committees I chair. Thousands of problems have to be solved. With all the ambassadors, all the delegations—I do not know how many I have to receive each day—I am an extremely busy person. Therefore, I have no time to accept administrative and military powers. I prefer to stay above as the shade for our nation. I would like to say frankly to you that if I were only 50 years old I would not be afraid to brave everything. I would not be afraid to take over the government because I must see to it that our Cambodia has 100 percent independence, has national unity, has 100 percent territorial integrity, and becomes as strong as it once was in the past.

It is only now, my children, that you see that under the rule of Samdech Euv, we had full territorial integrity, no country, no power dared to humiliate us or step on our foot, and no one was allowed to exploit the Cambodian land with impunity. We were really strong. This is not a boast. Why brag? It is only because you are my own children that I take this opportunity to tell you. There were a lot of great things then. We were really happy even back then during the days of the monarchy, during *the Kingdom of Cambodia* [in English] when we were prosperous. How badly have we fared since *the Republic?* [in French] No, I am not coming here to *reestablish a monarchy.* [in French] There is no need for me to beg to turn Cambodia into a kingdom again. If you want a *republic* [in French], go ahead, have it. I have no objection at all as long as you are happy, peaceful, and prosperous. I only want to tell you how great our state was back then in all fields. And Their Excellencies, such as His Excellency (In Kiet), Samdech Nhoek Chulong, and many other children can bear witness to our comprehensive development in the past. I was accused of pursuing a *policy of obscurantism.* [in French] Where then would those *intellectuals* [in French], those pundits have come from without Samdech Euv's rule, without my reign as king? *I was the one who had given scholarships to His Excellency Khieu Samphan, His Excellency Pol Pot, and His Excellency Son Sen to enable them to further their study in France. This was due to the royal scholarships that I gave them.* [in French] Who made the *policy of obscurantism?* [in French] Where was that policy? *Who built those schools, those universities, those high schools [words indistinct]?* [in French] Who did it? Who made possible the training of these engineers, these *guilds?* [in French] His Excellency (In Kiet) and other excellencies can testify to that. Who made it possible for His Excellency Keat Chhon and other excellencies to become what they are? If Samdech Euv did not do it.... [Sihanouk laughs] It was alleged that Samdech Euv did not want to let his children have education. The truth is that it was Samdech Euv who aided all of those achievements. No, I am here not to propagandize for myself. You, my children, you are the witnesses, and those in the FUNCINPEC are all for Samdech Euv. [applause]

What I want to tell you is that now that I am 70 years old I refuse to accept power. I am helping all of you while I still have enough strength to do so. You should trust me. I am not going anywhere. I am not leaving you again. [applause] I am not deserting you, grandmothers, grandfathers, aunts, and uncles—I promise. I am moving around everywhere, every week. I visit my children here and there. After leaving you here, I will be back to stay with you for one more day tomorrow. [applause] After that I have to visit my children in Svay Rieng, Takeo, Siem Reap, Kompong Som, and so on. I have to visit my children everywhere. The old ones I have met told me: Please, Samdech, do not leave us again. I said: No, I will not leave you again. [cheers and applause]

Therefore, in my capacity as head of state, as the father of the nation, please believe me that I love all of you equally and I am partial to no particular party or group. I come here to teach you to love each other, to be reconciled with one another. As His Royal Highness the prince chairman has said just now, if we implement the Paris accords 100 percent, we surely will be able to resolve our national problems and make our nation prosper and become glorious through liberal democracy in the future. [applause] Thus, if I could live another 10 years with all of you, I would be able to help you in many things, to solve many problems, and to greatly rebuild the nation. Give me 10 years. Even if I were only to have five years, it is possible that I would still be able to help considerably. I would help you from above. Let us allow the younger generations to manage governmental, parliamentary, administrative, and military affairs from below. I will stay above and help you from that position. If I am able to survive for another four or five years, I will be able to help you during all of those years. If the Three Jewels of Buddhism enable me to live another 10 years, I promise that we will work such that our country would become really developed and strong.

His Excellency Lee Kwan Yew, the former prime minister of Singapore, told me: When Samdech has peace back, you will need 20 years in order to restore and develop Cambodia to the level it was during the time of Sangkum Reas Niyum in 1964. In my opinion, if we make great efforts, we will need less than 20 years. His Excellency Lee Kwan Yew said 20 years, but with hard work 10 years or even less will suffice provided we are united, join hands with the winning and losing parties in rebuilding the nation, and have faith in our motherland and people—that is, in the future of our nation. Yes, we will do it in just five to seven years. The Khmer are relying on themselves for the first time. [applause] *Cambodia helps itself* [in French] was the slogan of Sangkum Reas Niyum in the past.

Therefore, please be assured that I am very grateful that you want to hand over power to me if you win. But do not do that. I will continue to lead, to be the parent of all of you, of the nation. In my capacity as the parent of the nation, I implore all parties, both winners and losers, to please unite and reconcile with each other. Avoid ignorance, greed, and anger. If you have to criticize one another, do it within the framework of Cambodia's liberal system. We should criticize and guide one another to take the right path. Do not criticize out of spite or injustice. *Let us avoid unjust criticism; let us avoid dishonest criticism.* [in French] Avoid anything that is not true and just. We should make honest and just criticism. What are these *constructive criticisms* [in French] for? They are for keeping all of us on the right path. If one errs, tell him to come back to the right track. [applause] Only in this way can we succeed.

Maybe some children on the FUNCINPEC side might say that Samdech is talking beyond the limits of FUNCINPEC. But you of FUNCINPEC are all knowledgeable people with good judgment. You know that the problems of FUNCINPEC are also the problems of other factions. They are the problems of all of us Cambodians. *The problems that FUNCINPEC examines, that FUNCINPEC is going to tackle, are the problems that the eight or nine million Khmers both inside and outside Cambodia must tackle, too. They are national problems, for you are patriots.* [in French] All of you are patriots. What is your objective? It is to help the nation. *The goal of FUNCINPEC is a pure, patriotic one. You do not think only of yourselves in FUNCINPEC, but you think of Cambodia. [applause] That is why.* [in French]

Thank you very much for listening to me most attentively. I am very proud of you, my children, His Royal Highness the prince, Princess Marie, all of FUNCINPEC, everyone from all sides, those from the interior of Cambodia, those from Site B, and all countries in the world. You have turned up here in massive numbers. Therefore I am very happy. Before concluding, allow me to express warm admiration for Samdech Chulong, who has helped me since my youth, when at 18 and a half years I became king and knew nothing about kingship. The other day, I also praised Samdech Son Sann for helping me, for explaining things to me. Samdech Chulong has done the same. In the past, I had three of what you call *advisers* [in English] or *counselors.* [in French] These advisers were Samdech Chulong, Samdech Penn Nouth, and Samdech Son Sann.

Samdech Chulong showed me how to conduct the *administration* [in French] and how to organize cities and provinces. That was the great service of Samdech

Chulong. [applause] After that I enjoyed his assistance all along. [applause] At the international conference in Geneva and during the Royal Crusade for national emancipation of *1952-53* [in French], Samdech Chulong helped me considerably. At Geneva in *1954* [in French], too, Samdech Chulong helped a lot. Samdech Chulong was the hero who signed [agreements] with a Viet Minh general—what is his name already, excellency? [Sihanouk addresses an aide] Yes, Pa Quang Buu. I have difficulty remembering such a strange name. But I am a Khmer, and we Khmers usually do not remember Vietnamese names. Anyway, his name is Pa Quang Buu. [Sihanouk laughs] [applause]

Our FUNCINPEC has always had a good name, like this Site B. When Mrs. Margaret Thatcher came here she chose to visit FUNCINPEC. She said Site B is a model camp. Other people, too, have said that Site B is a model camp. This is thanks to all of you in FUNCINPEC and especially His Royal Highness Prince Norodom Ranariddh and Princess Marie. *They are the two leaders who have really made Site B into a model camp, model in all aspects. I have no right to dwell too long on all of that.* [in French] Therefore.... We must not have spent more than an hour. Anyway, that is already too much.

Now, I would like to inform you that not only Site B, but also ANKI [National Army of Independent Cambodia], has good discipline, is giving good service to the people, is loyal to the nation, and is making all kinds of sacrifices. I take this opportunity to pay tribute to the souls of fallen heros and heroins of FUNCINPEC, ANS [Sihanoukist National Army], and ANKI who died so that Cambodia could survive and have independence and peace. [applause] ANKI is the brainchild of Prince Ranariddh. Prince Ranariddh therefore has scored many achievements. Moreover, he has helped his father and the nation in many fields, not only in the political field, but also in the diplomatic and other fields, during negotiations, at international conferences, and at the United Nations. Princess Marie has also worked hard helping my children, especially in the social, cultural, handicraft fields. Her Excellency Mrs. Thatcher and Their Excellencies the prime ministers and ministers of many other countries, including Japan, His Excellency Vice President Dan Quayle, and the Japanese prime minister, is not it, *His Excellency Uno, prime minister of Japan* [in English] went to Site B and had only praise for it, including its women's association, its education up to the secondary level, its good sanitation, and its good discipline. I am very satisfied with and proud of my daughter-in-law. These praises are not just empty praises. She really deserves them as she has worked very hard.

Now that all children have rendered justice to Samdech Chulong, to Prince Ranariddh, and Princess Marie, I would like to express thanks to all of you for being fair-minded. [applause]

In conclusion, I once again thank all good friends [applause] and I thank all my children very much. I am most delighted to meet you. I am staying with my FUNCINPEC and ANKI children for another day tomorrow. Thank you very much. [cheers and applause]

Addresses Buddhist Monks

BK1103131692 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 0430 GMT 8 Mar 92

[Summary from poor reception] "A ceremony was held at Botumvadei Monastery on the morning of Saturday, 7 March to inaugurate the great cell of Venerable Buo Kri Chansereiko, supreme patriarch of the Thoammayut Buddhist Sect, by the Committee in Charge of Organizing National and Foreign Festivals of the Kampuchean United Front for National Construction and Defense [KUFNCD] National Council.

"This ceremony took place under the lofty chairmanship of His Royal Highness Prince Norodom Sihanouk, head of state of Cambodia and chairman of the Supreme National Council [SNC] of Cambodia, and Her Royal Highness the princess consort. Accompanying them were, among others, Mr. Chea Sim, chairman of the Cambodian People's Party [CPP] Central Committee, chairman of the National Assembly, and chairman of the KUFNCD National Council; Mrs. Men Sam-an, Standing Committee member of the CPP Central Committee and chairman of the Kampuchean Federation of Trade Unions; Ney Pena, Standing Committee member of the CPP Central Committee and vice chairman of the CPP Central Committee Control Commission; Mr. Sim Ka, Standing Committee member of the CPP Central Committee, chairman of the Municipal Party Committee, and chairman of the Phnom Penh Municipal People's Committee; and Superior Bonze Tep Vong, supreme patriarch of the Mohanikay Buddhist Sect."

A lay official of the Botumvadei Monastery committee took the floor to greet Prince Norodom Sihanouk and all the guests and inform all of them of the bad times the monastery endured under polpotist rule. He said that thanks to the care provided by our party and government, Botumvadei Monastery has been restored and improved to deserve being a place of worship for Buddhists. Including the Great Cell of Supreme Patriarch Buo Kri, the monastery now counts 31 abodes and two mess halls for Buddhist monks, and more than 90 million riels have been spent on the restoration and construction of these buildings, he added.

In his conversation with Buddhist monks and laymen present there, Prince Norodom Sihanouk said:

[Begin Sihanouk recording] My respects to the Buddhist image, the object of worship for all of us Buddhists. My respects to both supreme patriarchs. My respects to the entire clergy. My respects to His Excellency [H.E.] Chairman Chea Sim and Madame. My respects to all personalities and Cambodian people present here. "I am greatly moved to be able to preside over this solemn ceremony organized by the Buddhists under the excellent leadership of the CPP and the State of Cambodia [SOC] Government and the Committee in Charge of Restoring Temples and Monasteries, of which the two excellencies are the honorary chairman and chairman respectively and which has done a great job in successfully rebuilding our temples and monasteries, the most valuable heritage handed down to us by our ancestors in the historical tradition of our Cambodia."

Allow me to recall the good services rendered by patriotic Buddhist monks who fought peacefully in accordance with Lord Buddha's teachings in a bid to keep Buddhism alive despite the evil attempt made during the bitter period to eliminate our religion. Although they were prevented from wearing the saffron robes and residing in temples, many of our Buddhist monks continued to behave themselves as monks and nuns always firmly adhering to and practicing the teachings of Lord Buddha throughout that period of bitterness. Moreover, Buddhist monks who lived abroad also worked hard to spread the teachings among our overseas compatriots and help our children not forget their traditions and creeds. While giving assistance to the national reconciliation process, they also proselytized many foreigners into following Buddhism. In so doing, they served Buddhism for the sake of universal peace among nations.

Therefore, we cannot forget the good deeds of our venerable monks. "Supreme Patriarch Buo Kri, my revered spiritual guru who stayed abroad during that period, conducted holy activities like those of my supreme patriarch number one, Your Grace Supreme Patriarch Tep Vong. He helped spread Buddhism and taught our children abroad to always follow the right path and join hands in preserving the good mores and traditions of our Cambodia." He educated anyone he could contact in the world about the values of Buddhism. Since his return to Cambodia he has conducted excellent activities like all other Buddhist monks, to my great satisfaction.

"Moreover, I would like to recall the historically significant and unfathomable, good service rendered by H.E. Chairman Chea Sim of the CPP in supporting Buddhism without sparing any of the physical, intellectual, and material efforts he could muster, and that the CPP and SOC Government can serve Buddhism as the state religion. Since Their Excellencies Chea Sim, Heng Samrin, and Hun Sen and the CPP and SOC Government took control of our country in January 1979, they have decided to restore to the whole people all kinds of freedom, including freedom of religious worship, first of all for Buddhism. Later, they declared that Buddhism was reestablished as the state religion as in the past, especially as during the times of your Samdech Euv [prince father, meaning Sihanouk] and Sangkum Reas Niyum [Sihanouk's pre-1970 party]."

H.E. Chea Sim, without my asking for it, sent H.E. Hun Sen and Madame to Beijing to invite me back to become the head of state and father of the nation again. When I returned I felt so moved to be reunited with you. "Now, I would like to make a solemn promise to you, venerable monks and children, that I will never leave you and the motherland again. I will stay until I die and my body will be cremated on Cambodian soil according to the Buddhist traditions and there will be a stupa for me in Cambodia as a testimony of my loyalty to the nation and Buddhism.

"I dared not make any proposal to the CPP, but H.E. Chea Sim on behalf of the CPP and SOC Government personally requested an audience with me at the Khemarin Palace and declared that Prince Norodom Sihanouk remained the legal and legitimate father of the nation and head of state, as in the past before the 1970 coup d'etat." He also asked to follow Samdech Euv in fostering Buddhism. He assured me that he would not object if I wished to restore the supreme patriarchates of the two sects as in the past. "For this reason and as a consequence to that assurance, I issued decrees appointing Superior Bonze Tep Vong as Supreme Patriarch for the Mohanikay Sect residing in Onnalaom Monastery and Samdech Buo Kri as Supreme Patriarch for the Thoammayut Sect respectively."

During my second visit to Battambang, the Provincial Superior Bonze told me that Mohanikay and Thoammayut Sects have always been close to one another. He said that so long as we adhere to Buddhism we live in peace, prosperity, and harmony. A group of politicians decided to suppress religions in Cambodia, and at that time we all lived in hell. Therefore, we must uphold Buddhism. I thank the two committee chairmen for making it possible for me to come to this sacred Botumvadei Monastery, a holy place since time immemorial. What you have done to this place deserves praise, is fitting for Buddhism, and is suitable to be the abode of the Supreme Patriarch of the Thoammayut Sect.

I again would like to thank the CPP and SOC Government with Chairman Chea Sim as the leader for reviving Buddhism. We must therefore be understanding toward and reconciled with each other. With mutual understanding, national reconciliation is possible. "Some foreigners do not understand the values of Lord Buddha's teachings. They are too deeply rooted in their vengeful belief. They have criticized me often, abroad in their countries and even here in our own country, of being too soft toward the Khmer Rouge." Do you forget what the Khmer Rouge have done to you and your people? they asked me. They have even urged that a tribunal be set up to send the Khmer Rouge to the firing squad. Let me remind you that even the CPP—which was communist in the past and is now a patriotic, non-communist party—has decided in its Constitution to abolish the death penalty because in his five precepts Lord Buddha prohibited the suppression of life, both human and animal.

"I regret that in the past I did not abolish this law. I am 70 years old now and after long nights of pondering I have come to the conclusion that although it is an international law, this law is not one that we should respect, but one that we should reject, meaning we should abolish it once and for all. The Khmer Rouge committed considerable heinous crimes unprecedented in the history of the world. But to solve our Cambodian problem should we resort to nonviolence or violence? Should we seek reconciliation with and forgiveness for those who made mistakes or should we not? Should we build peace or insecurity and war, which have made our nation miserable for more than 20 years?"

Our struggle for national liberation is good but violence for the sake of revenge is not. Let us cite the example of Vietnam. "If the Vietnamese pull all their troops from our country and stop colonizing our land, is there any reason for us to not forgive them? Concerning the Khmer Rouge we must be careful. We must take steps to prevent them from perpetrating their old sins again, to make them stop sinning. Besides that, we should forgive them."

Several foreign countries have demanded that the Khmer Rouge be put on trial, and some overseas Cambodians have worked hard to instigate their host countries to bring the Khmer Rouge to court. I was often asked whether I would oppose that idea. I told them that if they do not set up such a court in my country, if they have such a court in their own countries, I cannot interfere in their internal affairs. Well, can we solve such a problem, venerable monks? We can if we apply Lord Buddha's teachings. The Paris peace plan says that the UN should come to help administer our country so we can be reconciled, and it stipulates that we should be merciful to the Khmer Rouge. "It is for this reason that the Khmer Rouge are included in the elections as well as the SNC. It is not I who brought the Khmer Rouge into this SNC framework, into our Cambodian community. It is the international community, the United Nations, that did so because they understand that should the Khmer Rouge be allowed to return to the jungle, there will never be peace.

"Without disarming the four Cambodian factions, there can be no peace. For this reason the plan has ordered us to hold a truce, to stop the war, to be reconciled, to help each other, to have freedom, and to let the citizens enjoy full rights without discrimination or distinction."

Lord Buddha taught that there are no social distinctions, no classes, that there are only good deeds and bad deeds. The Paris plan has stipulated similarly. "If we examine it, it is in accordance with our Buddhism." Other religions would have sent the Khmer Rouge to the gallows, like they did the Hitlerites.

"Some Cambodians—pardon me I am not criticizing them, since they are now naturalized Americans and no longer Cambodians and I have no right to criticize them although they keep agitating opinion about sending the Khmer Rouge to the gallows—asked me where they could find the Khmer Rouge in order to punish them. I told them to go look for the Khmer Rouge themselves. They went on to ask me whom I would recommend for the task of hunting down the Khmer Rouge. I told them that there exists a famous general who beat the Iraqis. He is General Schwarzkopf, who, however, has failed to capture Saddam Husayn." Let them ask Schwarzkopf to look for Pol Pot. But they did not do that. They kept putting the blame on me. That is all right, though, because I am a Buddhist and Buddhists are tolerant. [passage indistinct]

"I would like to end my speech here, but before ending it allow me to once again express my thanks and admiration to the two chairmen of the committee in charge of preserving and rebuilding temples and monasteries, and all officials and faithful for so successfully serving Buddhism. Since my return to the country I see that Buddhism has developed as much as during my time in the past. The CPP and the SOC have followed the path of Sangkum Reas Niyum. They have greatly fostered Buddhism in the cities, provinces, districts, and villages. It has become the greatest shade for peace, independence, and national reconstruction. Buddhism is the greatest, incomparable foundation. Moreover, Buddhist monks have also contributed greatly to other fields as well, such as education and health care. The Buddhist clergy and the faithful have joined hands so magnificently. This constitutes the greatest force of our country in this era with H.E. Chea Sim as the leader. I therefore would like to thank H.E. Chea Sim, the CPP, and the SOC Government once again.

"I would like to inform you, venerable monks, that I am not politicking by coming here. Some people have charged that wherever I go I always help promote the CPP so it will win the elections. This is not true, venerable monks. I am the parent of the four factions. If one of them does well, should we not encourage it? Let us take religion, for example. Who has revived religion? It is H.E. Chea Sim and his party and the SOC. We must render justice where justice is due. Buddhism teaches us to be fair. Of course, we must be neutral but we must not abandon fairness." Please pardon me if anything that I have said is wrong. I pray to the three Buddhist jewels to protect the two supreme patriarchs and all venerable Buddhist monks and everyone present here, especially H.E. Chea Sim and Madame. May all of you enjoy the five Buddhist blessings. [end recording]

After accepting the title of supreme patriarch, second to Supreme Patriarch Tep Vong of the Mohanikay Sect, new monk chief Buo Kri of the Thoammayut Sect made an acceptance speech, warmly thanking Prince Sihanouk and the leaders of the SOC and CPP for bestowing such a great honor on him.

Sihanouk Thanks Butrus Ghali for Resolution 745

BK1103055492 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 10 Mar 92

[Text] On 8 March His Royal Highness Prince Norodom Sihanouk, head of state and chairman of the Cambodian

Supreme National Council [SNC], sent a message to the UN Secretary General, His Excellency [H.E.] Butrus Butrus Ghali, through H.E. Ataul Karim, head of the UN Advance Mission in Cambodia. The message substantially reads:

Your Excellency the Secretary General: On behalf of the SNC and the Cambodian people and in my own name, I would like to express to you and to the UN Security Council [UNSC] my most profound gratitude for Resolution 745/1992, which was unanimously adopted by the UNSC during its 3,057th meeting on 28 February 1992.

As far as we Cambodians are concerned, we are going to do everything we can in order to fully support and strictly implement the above resolution, which is very important and useful, both now and for the future, for our country and people.

Excellency, please accept my highest regards.

Sihanouk Approves Forming Human Rights Group

BK1103125392 Hong Kong AFP in English 1242 GMT 11 Mar 92

[Text] Phnom Penh, March 11 (AFP)—Cambodia's Prince Norodom Sihanouk gave the green light Wednesday to a group of former political prisoners to form a human rights association, the group's leader said.

Thun Saray did not rule out the possiblity that his Association for Human Rights in Cambodia—known by a French acronym ADHOC—could transform into a full-fledged political party ahead of elections next year.

The approval by Sihanouk, chairman of the Supreme National Council (SNC), came as Thun Saray and two other former political prisoners—Ang Eng and Khay Matoury—prepared to leave Thursday for a human rights conference in Bangkok.

"We would have gone ahead with our plans with or without the SNC's approval," Thun Saray said. "The time is right—with the arrival of UNTAC and Mr. Akashi."

Yasushi Akashi of Japan is to arrive here Sunday to head the U.N. Transitional Authority in Cambodia (UNTAC), whose mission includes ensuring political freedom in Cambodia in the run-up to elections by May 1993.

ADHOC applied for SNC recognition on January 15, shortly after the four factions represented on the SNC agreed to allow the formation of opposition groups, but only as clubs or associations and not full-fledged political parties.

Thun Saray was jailed along with then transport minister Ung Phan and four other Phnom Penh officials when they tried to form a political party in 199O.

He said he was not intimidated by a spate of political shootings, including assassination attemps against Ung Phan early this year and against an opposition newspaper editor Tuesday.

"One must be prudent," he said. "But I know how to defend myself. I'm a former colonel" in Phnom Penh's Army.

Peasants Petition Sihanouk on Land Expropriation

BK1003042392 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 7 Mar 92

[Text] In Meanchey District [not further indentified], 233 people in (Khbal Tumnop Thmei) and Thnaot Chrum in Boeng Tumpun Commune have petitioned His Royal Highness Prince Norodom Sihanouk, head of state and chairman of the Supreme National Council, for justice concerning the violation by a number of the State of Cambodia's officials who expropriated people's land.

These people put down their fingerprints on the petition calling on the prince to assist them in obtaining justice. Peasants had worked on this land between 1964 and 1975. In 1979, the people came back to reoccupy and work their land. In 1984, the state confiscated this land for solidarity groups; however, no one worked on it. In 1991, the people cleared this land to carry on agricultural production reasoning that they used to work on it.

Currently, armed groups have constantly threatened people and prevented them from growing crops. Furthermore, these groups have partitioned the land already cleared and divided it among themselves as their own property.

KPNLF Editor Wounded by Gunfire in Phnom Penh

BK1103060292 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 11 Mar 92

[Text] According to a report received by the Voice of the Khmer newsroom, Mr. Leng Loeung, deputy chief of the News and Press Department of the Khmer People's National Liberation Front [KPNLF] Information Ministry posted in Phnom Penh, was shot at and slightly wounded by criminals in Phnom Penh in the evening of Tuesday, 10 March.

Mr. Leng Loeung, an editor of the KPNLF weekly bulletin, was slightly wounded in the neck and on the earlobe by gunshots when he was traveling on a motorcycle. He currently is receiving medical treatment at the KPNLF Office in Phnom Penh. The KPNLF weekly is the first [words indistinct] bulletin to be published in Phnom Penh and is remarkably popular among Cambodians, especially the students and intellectuals.

Desertion of Opposition Troops Reported

BK1003040692 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1200 GMT 9 Mar 92

[Excerpt] In the first two months of 1992, Stoung District in Kompong Thom Province received 108 officers and troops who deserted the ranks of the other Cambodian side, bringing along 71 weapons, six walkies-talkies, a field radio, ammunition, and a large quantity of war materiel. These compatriots returned in groups on three occasions with a total number of (?86) persons along with 65 weapons. [passage omitted]

SRV Said Bringing War Materiel to Kompong Thom

BK1103004492 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 10 Mar 92

[Excerpt] On 3 March, the Vietnamese aggressors brought seven truckloads of ammunition and war materiel to their forces in Stoung District [Kompong Thom Province] to continue attacking the resistance forces and kill our people in that area.

Reports say that at the same time the Vietnamese aggressors brought three tanks and two batteries of multiple rockets to San Kor to attack, intervene, and assist their engaged forces. [passage omitted]

Indonesia

Portuguese 'Peace' Ship Heeds No-Entry Warning

BK1103002492 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 11 Mar 92

[Text] The Portuguese boat Lusitania Expresso has heeded the warning issued by Indonesian warship Yasudarso not to enter the country's territorial waters.

RRI [Radio Republik Indonesia] reporter Sudirman Hala on board the warship Teluk Bantan in East Timor waters reported that the ferry Lusitania Expresso entered the 24-nautical mile limited zone at about 6.00 Central Indonesia Time or about 5.00 West Indonesia Time. The group of navy vessels from the eastern fleet was able to divert the Lusitanian Expresso so that it did not enter the prohibited 12 nautical mile zone of Indonesian territorial waters.

A full report on this issue can be heard after this newscast.

[Paris AFP in English at 2308 GMT on 10 March, in a similar report from Darwin, Australia, adds: "The Lusitania Expresso, the Portuguese ship taking peace activists to East Timor, turned back early Wednesdasy after being intercepted by the Indonesian Navy, organizers of the mission said here."

"A spokesman for the Mission for Peace in East Timor told AFP that the boat was 'coming very, very slowly' back towards Darwin, whence it sailed on Monday night."]

Diversion Details Reported

BK1103024692 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 11 Mar 92

[Telephone conversation between correspondents Suratno and Sudirman Hala in Jakarta and on board the warship, the Teluk Bantan—recorded]

[Text] [Suartno] Good morning, colleague Sudirman and all listeners. Sudirman, we are eager to know the whereabouts of the warship Teluk Bantan, which you are currently on board.

[Sudirman] Yes, from Teluk Bantan, a tank-landing vessel numbered 516, is somewhere around (?Lati) island in east Maluku and in the eastern vicinity of East Timor or approximately [words indistinct] latitude near the island of Ambon. That is all, colleague Suratno.

[Suratno] According to you, at about what time was the Portuguese ship, Lusitania Expresso, sighted?

[Sudirman] Yes, the Portuguese ship was first sighted at about 14.10 West Indonesia Time yesterday by our marine aircraft. Yesterday, we were at the Exclusive Economic Zone or EEZ—which means that were we not yet in the territorial zone. Then at about 2058 last night, two Indonesian navy warships—KRI [Republic of Indonesia ship] Yosudarso and KRI Sihajardiwantoro, the latter a 364 corvette-type—made direct contact with the Lusitania Expresso. The Expresso was (?escorted) by the two warships when it entered the 24-nautical mile limited zone. Our listeners should know that the Lusitania Expresso, which left Darwin, Australia, yesterday at around 6.00 Central Indonesia Time, entered the 24-nautical mile limited zone. Meanwhile, the ferry had not yet entered the limited (?shore)-to-sea territorial boundary. Our two warships were successful in escorting the Lusitania Expresso so that it would not enter the limited territorial boundary—which is one of 12- nautical miles. I am taking this opportunity to present to you the Chief of the Indonesian Eastern Region Navy Fleet Command, Rear Admiral Tanto Kuswanto, for further information.

[Suratno] Mr. Kuswanto, we are eager to know further concerning the Lusitania Expresso, which has been currently diverted from entering our waters.

[Kuswanto] Nothing untoward happened. In this case, the warning that was issued to the ferry by KRI Yosudarso not to enter the territorial waters was actually heeded. It was understood that the government was duly informed of the situation and, according to our current observations, the Expresso has diverted its course. However, we need to see whether its course diversion toward its previous route was a legitimate action or just a (?ploy). We will continue to monitor its movements.

[Sudirman] If, by any chance, it still decides to enter the Indonesian territorial waters, what action would you embark on?

[Kuswanto] We have certain procedures and measures to be taken against its entry. Therefore, we now hope that we will not have to [words indistinct]. We know that we need to [words indistinct] concerning its position and also we should not [words indistinct] of our people's hopes concerning our country's sovereignty. It is hoped that all parties concerned should understand our position.

[Suratno] [Question to Rear Admiral Kuswanto indistinct]

[Kuswanto] The two helicopters which were previously hovering above the Lusitania Expresso and making a documentary were from the warship KRI Teluk Bantan while another was from KRI Sihajardiwantoro. Thank you very much, Mr. Sudirman. It is clear that our group of navy vessels was successful in preventing the Expresso from entering the territorial waters of the Republic of Indonesia.

[Suratno] Dear Listeners! That is all for now and if there are any more developments, we will present our reporting at top priority. We are continuously waiting for more reports and, listeners, that was our conversation with correspondent Sudirman Hala aboard the warship Teluk Bantan in East Timor waters.

Timor Governor Against Ship Entry

BK1103033292 Jakarta ANTARA in English 0232 GMT 11 Mar 92

[Text] Dili (East Timor), March 11 (OANA/ANTARA)—East Timorese Governor Mario Viegas Carrascalao suggested here on Tuesday [10 March] that "Lusitania Expresso" should not be permitted to enter Indonesian waters.

Latest reports said that "Lusitania Expresso" in its voyage from Darwin to East Timorese waters was expected to arrive near Indonesia territorial waters at 02.00 a.m. early Wednesday [11 March] morning local time (WITA) [West Indonesia Time].

Speaking to reporters at Komoro airport, Dili, Governor Carrascalao said: "We will not get benefit whether we take action or not, since they have taken into account everything".

If the 1,662 dwt [dead weight] ship forces to enter Indonesian waters, this means they break Indonesian law.

"We should firmly implement our national law and experts should seek the best way that will not harm the state", Carrascalao said.

Commenting on the participation of former Portuguese President (1976-1986) General Antonio Ramalho Eanes in the provocative mission together with some 130 students and journalists on the board the ferry, Carrascalao said they were only looking for political gains.

The governor said: "The Portuguesse flag carrier ship is only provoking us to take action".

Eastern Armada Commander Vice-Admiral Tanto Kuswanto, now directly in command of navy special task force which has been on alert in the last several weeks in East Timorese waters to anticipate the presence of "Lusitania Expresso", said: "If necessary we would fire warning salvoes if they force to enter".

East Timorese Military Operational Commander Brig.Gen. [Brigadier General] Theo Syafei who also voiced similar warning firmly stated that not any of the ship's passengers will reach their destination to lay wreath at Santa Cruz cemetary in Dili.

Six naval ships jointly operating in the special task force seconds before the arrival of "Lusitania Expresso" have intensifed their patrols in a "closed circle" formation in the zone covering territorial waters from Wetar Straits to the border of Ombai Straits within a radius of about 150 nautical miles off Dili coast in East Timor.

The six naval ships which support Dili Naval Command are KRI [Republic of Indonesia ship] "Yos Sudarso", KRI "Ki Hajar Dewantara", KRI "Teluk Banten", KRI "Ngurah Rai", KRI "Sorong" and KRi "Kerapu".

Other reports said that "Lusitania Expresso" moving with a speed of 10 knots at 15.30 local time Tuesday was still in the Economic Exclusive Zone (EEZ) around 110 nautical miles from the border of Indonesian waters.

Reports received by ANTARA from reporters of "Media Indonesia" and "Pos Kota" dailies sent from KRI "Kerapu" through a coastal radio station, said local transportation ministry office informed that the Eastern Armada Commander will order an action against "Lusitania Expresso" only if the ship begin entering Indonesian waters.

KRI "Ki Hajar Dewantara" will be in the spearhead to intercept the Portuguese ferry ship entering the Indonesian territoral waters, while other five naval ships grouping in Aru Jaya Naval Task Force, KRI "Yos Sudarso", KRI "Teluk Banten", KRI "Kerapu", KRI "Sorong" and KRI "Ngurah Rai" are now in their respective positions to prevent "Lusitania Expresso" from passing through and entering Dili seaport.

Australian radio broadcast at 19.00 local time (WITA-Central Indonesian Time) monitored on board of KRI "Kerapu" quoted Captain Luis Dos Santos, captain of the Portuguesse ship, as saying that "Lusitania Expresso" will continue sailing until Indonesian navy stopped not allowing it to enter Indonesian territorial waters.

Australian radio's reporter Mike Bolling reported from on board of "Lusitania Expresso", Dos Santos will head the ship back if the Indonesian navy intercept it when entering Indonesian territorial waters.

"Lusitania Expresso" left Darwin port Monday afternoon at 18.00 local time, sailing southeastwards.

Spokesman on Portugal's Role

BK1103154892 Jakarta ANTARA in Indonesian 1007 GMT 11 Mar 92

[Excerpt] Jakarta, 11 Mar (ANTARA)—Brigadier General Nurhadi Purwosaputro, chief of the Indonesian Armed Forces [ABRI] Information Service, says that the Portuguese ship Lusitania Expresso actually was a minor issue, but because it involved national sovereignty, the ABRI decided to take a serious view of it.

"Even though the ship's voyage obviously was a provocative act and not a peace mission, we actually viewed it as a minor issue which could have been ignored," Nurhadi told reporters at ABRI Headquarters in Cilangkap, Jakarta, Wednesday [11 March]. Nurhadi said that the ABRI wanted to thank the people from all walks of life who had given their full support to the ABRI in coping with the issue. Such support shows that the people have understood fully the ABRI's people's total defense system.

He added that it was now obvious who had masterminded the ship's activities and that this could be seen from the comments made by high-ranking Portuguese officials in Lisbon soon after the mission had failed.

Nurhadi said that when the Indonesian Navy ships had issued their warnings to the Portuguese ferry that it had violated Indonesian waters, there was a comical scene as none of the ferry's passengers appeared on deck. [passage omitted]

Suharto, Pakistani Minister Meet, View Kashmir

BK0703071392 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 7 Mar 92

[Text] President Suharto received Mohamed Saddique Khan Kanjoo, Pakistani foreign affairs minister at Bina Graha Presidential Office in Jakarta this morning.

On the occasion, President Suharto said Indonesia hoped that India and Pakistan would settle the Kashmir issue amicably.

Speaking to newsmen on the outcome of his meeting with the head of state, the Pakistani foreign affairs minister said Indonesia is willing to be the mediator in efforts to solve the Kashmir issue amicably. He said that about 6,000 people have died in clashes over the Kashmir issue.

Role in SRV's Quest for New Markets Examined

BK0703035392 Bangkok BANGKOK POST in English 7 Mar 92 p 20

[By Stephen Carr]

[Text] Vietnam is caught in a strange trading position. It has lost its client status with the former Soviet Union and Eastern Bloc, but the United States is still enforcing its trade embargo with the communist Vietnamese government.

Americans are forbidden by their Trading With the Enemy Act to deal with the Vietnamese, and the Southeast Asian country must look elsewhere for its international markets and suppliers.

While the government embraces communist ideology, it has seen that blind socialism should not stand in the way of reforms to a struggling economy. The country needs capital, and for that it needs foreign trade and investment.

Vietnam's long border, extensive coastline and navigable rivers make it a natural trading nation. It has fertile soil and large mineral deposits, including oil, natural gas, iron ore, bauxite, copper, chromium, gold, and three billion tonnes of coal.

Inland waterways and irrigation systems provide major potential for sea and river products, and hydro-electric capacity is possible far beyond existing levels. The country's seven million hectares of forest, under threat of depletion from agricultural pressures, could be an important resource if well managed.

The Vietnamese also offer a better educated and more highly skilled labour force than is typical for such a low income society.

Now Vietnam is looking towards its neighbours in the Association of Southeast Asian Nations (ASEAN) as its new economic models, hoping one day to join the group.

It would like to emulate the economic success of Indonesia, a country that has progressed a quarter-century from the isolation and stagnation that Vietnam endures.

Indonesia's anti-capitalist ideology of the Sixties has been replaced with a liberal market economy, foreign investment, slashing of foreign debt and reduction of inflation into double figures.

In the mid-Eighties, trade was negligible between Indonesia and Vietnam. Each year, Indonesia sold less than $5 million worth of goods to Vietnam, and bought a little more than $6 million worth back.

But by 1990, Indonesia was exporting fertilizer, cement, pharmaceuticals, motorbikes, tyres and foodstuffs worth $27 million. Vietnam sent back $39 million worth of mostly agricultural products, including soya beans, groundnuts, maize, green beans and garlic.

Both governments say this trade is just the beginning of what is possible.

Indonesian President Suharto visited Vietnam in 1990, and a seminar to discuss trading opportunities between the two countries was organised for the following year in Ho Chi Minh City. Their trade ministers signs agreements on economic, scientific and technical co-operation.

Later in 1991, Vietnamese Prime Minister Vo Van Kiet visited Jakarta and signed agreements with Indonesia on air transport, merchant shipping and the protection of foreign investments in Vietnam.

Protection of assets is one of the main concerns of foreign investors in Vietnam. To allay fears, the government stated that enterprises with invested foreign capital are independent units, free from state interference to make their own decisions on production and marketing, profit and loss.

Overtures to ASEAN, of which the Indonesian effort is a component, form part of a much broader front in Vietnamese foreign policy.

A Vietnamese delegation was at Switzerland's prestigious world Economic Forum earlier this year to woo more corporate and national investment.

Since drafting a new law on foreign investment in 1987, Vietnam has attracted investors from more than 30 countries who have promised to invest more than $2 billion in the country.

The competition is made easier for foreign investors with the absence of American bidders, although it is possible the U.S. embargo could be lifted.

The United States has set conditions on the embargo's removal that peace and democracy must be restored to Cambodia. United Nations peacekeeping troops are now in Cambodia, after the country's warring factions signed a peace treaty last year.

"Progress" must also be made on investigating the fate of more than 2,000 American servicemen unaccounted for after the war. A U.S. team was sent to Hanoi last year to work on the sensitive issue, but results are yet to be seen.

Meanwhile, Indonesian conglomerates have already been licensed to pursue five joint ventures with Vietnam, to set up a bank, a coal company, a garment factory, an air service and an agricultural/industrial concern.

Many other areas have been identified by the Vietnamese government as suitable for Indonesian participation. During a recent pitch to the Indonesian business community to invest in his country, Vietnam's commercial attache in Jakarta admitted that hotels at home are in a woeful state.

"In many important centres they are bad enough to discourage even the hardiest visitors," Ngo Khac Nghia said.

Indonesia has been developing its tourist trade for the past 20 years, and Vietnam feels some of its experienced hotel operators are well placed to help upgrade hotels that have suffered decades of neglect. The Indonesian Astra and Summa group is preparing hotel renovation projects, as well as ventures in coal mining and cement production.

Vietnam also wants Indonesian help to train tourist industry personnel, air crew and flight technicians, and for the two countries to open more air routes between them. Upgrading airports and seaports and improving air traffic control equipment are other likely areas of future co-operation.

In oil and gas exploration, Vietnam needs management expertise and technical exchanges which Indonesia can provide. Petroleum earns Indonesia 60 percent of its foreign earnings, and it is the world's largest exporter of natural gas.

Commercial oil exploration began in Vietnam in 1986 and current production is more than 2.5 million tonnes a year. Indonesia's state oil company is now making a feasibility study of two of Vietnam's off-shore fields.

There is competition from other nations considering massive investment in the country's natural resources: a Japanese group is bidding for a billion-dollar oil refinery project, and a German group is considering investing in a similarly expensive iron ore mine.

Vietnamese leaders are hoping this new economic pragmatism in place of ideologically motivated state planning will transform the country into another Southeast Asian success story.

Laos

Richard Solomon Pays Working Visit 5 Mar

Received by Prime Minister

BK1103010992 Vientiane KPL in English 0903 GMT 7 Mar 92

[Text] Vientiane, March 7 (KPL)—Mr. Richard Solomon, U.S. assistant secretary of state for East Asia and Pacific Affairs, arrived here on March 5. He was received by Mr. Souban Salitthilat, deputy minister for foreign affairs of the Lao PDR [People's Democratic Republic].

On the same day, Mr Solomon called on his excellency Prime Minister Khamtai Siphandon.

The host and his guest satisfactorily spoke of the diplomatic relations between the two countries that have been raised to ambassadorial level.

Mr. Solomon informed H.E. Khamtai Siphandon about the U.S. assistance to the victims of the drought in Laos. The assistance included 4,000 tons of rice and 500,000 U.S. dollars in cash.

The U.S. side expressed satisfaction over the cooperation between the two countries on the searching of the MIAs as well as on the drug control and suppression.

The sides expressed hope that cooperation in other fields between the two countries will be in the future developed.

Greeted by Foreign Minister

BK1103012392 Vientiane KPL in English 0908 GMT 7 Mar 92

[Text] Vientiane, March 7 (KPL)—Lao PDR [Peoples Democratic Republic] Vice Prime Minister and Foreign Minister Phoun Sipaseut received here yesterday morning Mr. Richard Solomon, U.S. assistant secretary of state for east asia and pacific affairs.

Phoun Sipaseut on the occasion expressed views that the Laos-U.S. relations have well developed over the past years and will, in the immediate future be upgraded from the charge d'affaires to ambassadorial levels.

They both were satisfied with the operation in searching for missing American in action during the war time and in drug control and suppression that the Lao Government has cooperated with the U.S. Administration. They also expressed hope that the relations and cooperation in other areas will continue to develop.

On the same day afternoon, Mr Solomon also met with Col. Gen. Choummali Sai-ngason, minister of national defence.

Prior to his visit to the Lao leaders U.S. Assistant Secretary of State for East Asia and Pacific Affairs Richard Solomon met with his Lao counterpart Soubanh Salitthilat. The sides discussed the future relations between Laos and the United States of America, following a decision to upgrade he bilateral relations to the ambassadorial level four months ago.

The exchanged views on the patterns concerning cooperation in "MIAs" and in drug control as well as in US humanitarian aid to Laos.

They also talked about other issues aimed at improving the relations and mutual understanding between the two countries.

Kaysone Phomvihan Receives Burma's U Ohn Gyaw

BK0603152192 Vientiane Vitthayou Hengsat Radio Network in Lao 1400 GMT 6 Mar 92

[Text] This morning at the Presidential Palace, Kaysone Phomvihan, president of the Lao People's Democratic Republic [LPDR], received a courtesy call from U Ohn Gyaw, minister of foreign affairs of the Union of Myanmar [Burma]. The reception was conducted under a warm atmosphere of intimacy and frankness. The president hailed the outcome of cooperation between Laos and Myanmar in various fields, especially on issues dealing with the common border between the two countries, in which a survey has been successfully carried out to a certain extent.

Phoun Sipaseut Receives New Austrian Envoy

BK0903143292 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 9 Mar 92

[Text] At the Ministry of Foreign Affairs this morning, Phoun Sipaseut, deputy prime minister and foreign affairs minister, received a courtesy call from Dr. Erich Binder, new ambassador extraordinary and plenipotentiary of Austria to Laos, who had earlier presented his credentials to the president of our country.

Deputy Prime Minister Phoun Sipaseut discussed many important issues with the new Austrian ambasasador, such as the gradual development of relations between the two countries. The deputy prime minister also wished the ambassador success in carrying out his diplomatic mission here.

Khamtai Siphandon Receives Thai, Burmese Guests

BK0603104692 Vientiane KPL in English 0912 GMT 6 Mar 92

[Text] Vientiane, March 7 (KPL)—His Excellency Khamtai Siphandon, prime minister of The Lao PDR [People's Democratic Republic] on March 5 received at the government guest house here His Excellency Phao Sarasin, vice premier of the Kingdom of Thailand who was on a visit here.

His Excellency Khamtai Siphandon expressed thanks to the government and people of Thailand for their warm reception during his recent visit to the Kingdom of Thailand on February 18-21.

The Lao prime minister and Thai deputy prime minister exchanged their views on the implementation of the amity and cooperation treaty and the joint communique between the two countries.

His Excellency Phao Sarasin also expressed thanks to the Lao Government for the warm welcome during his visit to the Lao PDR.

His Excellency Phao Sarasin and his party left for home in the afternoon of the same day concluding his brief visit to the Lao PDR.

Also in the afternoon of the same day, His Excellency Khamtai Siphandon received Mr. U Ohn Gyaw, vice-president of the Central Drug Committee and foreign minister of Myanmar [Burma], who was accompanied by the representative of the United Nations' Drug Control Affairs.

His Excellency Khamtai Siphandon, on this occasion, conveyed congratulations and sincere thanks to His

Excellency Saw Maung, chairman of the State Law and Order Restoration Council and prime minister of Myanmar as well as members of the council and the government and people of Myanmar for the warm reception reserved for him during his recent visit to the Union of Myanmar.

The host and his guest exchanged opinions on the implementation of the joint communique between the two governments. The sides also discussed ways of handling the questions of drug control and suppression.

H.E. Khamtai Siphandon also expressed thanks to the United Nations organization and other international organizations for their assistance to the Lao Government in the rural development to improve the living condition of the multi-ethnic Lao people.

Khamtai Siphandon Tours Luang Namtha 8-9 Mar

BK1003144992 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 10 Mar 92

[Text] On 8 and 9 March, Prime Minister Khamtai Siphandon visited and gave advice to certain services in Luang Namtha Province. After hearing a report from the leadership of the province on the outcome of the socioeconomic development in the province in the past year and the socioeconomic development plan for 1992, the prime minister explained the attitude of our party toward the cause of restructuring. He said we will continue consolidating, developing, and enhancing the people's democratic regime in an extensive manner to maintain political stability and to increase production, thus gradually improving the people's living conditions. In doing this, we will regard the rural development program as the central point and the family as a basic unit for building key economic units. At the same time, we must also promote cultural and social work and step up national defense and public security maintenance work among the masses. In the meantime, we must endeavor to build cadres to have more knowledge and capabilities and to be patriotic.

Regarding foreign relations and cooperation, Khamtai Siphandon stressed the correct implementation of the foreign policy of the party, especially in strengthening special cooperation with the SRV and the PRC on the basis of mutual benefits.

During his visit to Luang Namtha Province, the prime minister also toured some production establishments in the province, especially (?Sing) District, which is one of the districts possessing tremendous economic potential for the province.

Burmese, UN Drug Officials Visit Luang Namtha

BK0803115092 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 8 Mar 92

[Text] The delegations of the Narcotics Suppression Committee of Myanmar [Burma] and the United Nations International Drug Abuse Control Program recently paid a working visit to Luang Namtha Province. The provincial administration and local officials welcomed the delegations and led them to inspect the opium poppy-growing areas in Sing and Long Districts, which are situated close to the Myanmar border. The delegations agreed to cooperate with the local administration in suppression of narcotics in the areas.

According to a local source, there are approximately 3,000 opium addicts in Luang Namtha Province.

Front Delegation Calls on PRC Leaders

BK0803110192 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 7 Mar 92

[Text] According to a report from Beijing, the delegation of the Lao Front for National Construction [LFNC] of the Lao People's Democratic Republic led by Maisouk Saisompheng, member of party Central Committee and chairman of the LFNC, called on several Chinese leaders during its current official visit to the PRC.

On 4 and 6 March, the delegation called on Hong Xuezhi, vice chairman of the National Committee of the Chinese People's Political Conference, and Qiao Shi, member of the CCP Central Committee Political Bureau.

At each meeting, the hosts and guests informed each other about the situation in their respective countries and expressed satisfaction over the further expansion of solidarity, friendship, and cooperation between the two countries.

Philippines

Cable, Wireless Interested in Subic Conversion

HK1003113992 Manila PHILIPPINE DAILY INQUIRER in English 9 Mar 92 p 9

[Text] Cable and Wireless PLC, one of the largest telecommunications company [as published] in the world, has expressed its intention to offer its facilities and technical expertise in wiring up the Special Economic and Free Port Zone of Olongapo.

The government is planning to convert the Subic naval base into a commercial free port similar to Hong Kong.

Tom Chellew, executive director of Cable and Wireless, said that if the plan pushes through the telecommunications giant plans to invest in state-of-the-art technology and human resources needed to convert Subic into a free trade zone.

"We will be able to provide the impetus and the necessary infrastructure that will attract more investments and promote international trade in the area," Chellew said.

He added that Cable and Wireless will soon implement a three-step plan that will involve its local partner, Digital Telecommunications Philippines Inc.

Under the plan, Cable and Wireless will act as a "magnet" that will draw the commercial strengths of the existing export processing zones such as Bataan and Baguio and the emerging industrial economic zones of La Union, Pampanga, Bulacan, Tarlac, and the Cavite-Laguna-Batangas-Rizal-Quezon area in the south, which are within a contiguous distance of about 50 kilometers from one another.

Another step is to consolidate the Luzon telecommunications system under the Rural Telecommunications Development Program A and B and the National Telephone Project of the government.

For the third step, the Special Economic and Free Port Zone in Olongapo will be interconnected with Cable and Wireless' global digital highway which services over 70 countries worldwide.

Subic Not To Be Used for Military Ship Repair

HK1003124392 Quezon City MALAYA in English 9 Mar 92 p 7

[Ellen Tordesillas]

[Text] Bowing to Japanese government pressure, the Philippine government has entered into an agreement with Japan prohibiting a privatized Philippine Shipyard Corporation [Philseco] from servicing military vessels, thus, knocking Philseco out of the competition in the ship repair business.

In a memorandum of agreement signed by then Ambassador Toshio Goto and Foreign Affairs Undersecretary Tomas Padilla, Japan dictated that the Philippine government "would obligate the buyer of Philseco, in written form, not to use the facilities of the Philseco Subic Ship repair yard for any military purposes."

The agreement also required the Philippine government to get the written consent of the buyer allowing government authorities "to inspect at any time any vessel and all the facilities of Philseco within the area of the Philseco ship repair yard and have access to records of vessels being serviced by the facility."

The agreement which was kept secret by DFA [Department of Foreign Affairs] officials was discovered when the Cabinet took up the privatization of Philseco which was built in 1977 by the National Investment Development Corp [NIDC] with loans from the Japanese Overseas Development Fund. NIDC is a subsidiary of the Philippine National Bank.

The 1977 loan agreement contained the prohibition in servicing military vessels to conform with the Japanese Constitution.

A foreign affairs official said without Padilla-Goto agreement, the Philippines could have paid fully the OECF [Overseas Economic Coopeation Fund] loan and free itself from the restrictions.

"I don't understand why we have to sign an agreement tying on hands. It defies reason," the official said.

Shipping industry sources said the agreement effectively cancels out Philseco's chances of doing business with military freighters, oil and water tankers which form a big part of the ship repair clients.

The same sources said by effectively knocking out Philseco from competition, the Padilla-Goto agreement insures Japanese shipyards, which have priced themsevles out because of high labor cost, to have a share of the region's ship repair business.

The official also questioned Padilla's signing of the agreement on his capacity as acting foreign-secretary. "Why couldn't he have waited for Foreign Secretary Raul S. Manglapus to return and sign the far-reaching agreement."

Shipping industry authorities said the Padilla-Goto agreement demonstrates clearly the disadvantage of government intervention in matters that should be left to private hands, a situation that will be perpetuated by the implementation of the Bases Conversion Bill.

BCDA [Bases Conversion Development Authority] provides the creation of an Olongapo Metropolitan Authority to be headed by the Olongapo mayor to oversee the operations in Subic.

Businessmen fear the BCDA is given so much authority over monetary and precious metals transaction within Subic that it could undermine Central Bank control over fiscal and monetary policies.

Other officials also question why the BCDA bill allows the Subic Metropolitan Authority to organize its own police and even to issue its own visa.

Leftists Assail Government on Westinghouse Deal

HK1003111592 Manila PHILIPPINE DAILY INQUIRER in English 8 Mar 92 p 8

[By Tony S. Bergonia]

[Text] Leftist groups yesterday promised to revive street protests against the Bataan Nuclear Power Plant [BNPP] in the wake of the government's plan to operate it under a deal Malacanang made with Westinghouse Electric Corp.

But a pro-base senator seeking reelection said the objections raised against the deal were just "knee jerk reactions" made by those who do not understand the settlement.

"This is an extremely complex matter, a tangle of legal and technical issues that the layman would be well-advised to study carefully before uttering a word," said Sen. Ernesto Herrera, who dropped his objections against the proposed RP [Republic of the Philippines]-U.S. base treaty after having received funding assurances for his Trade Union Congress of the Philippines from U.S.-based institutions.

The protests would be led by the Bagong Alyansang Makabayan [New Nationalist Alliance] (BAYAN), the same group which was at the forefront of mass protests against the BNPP project during the Marcos regime.

"We at the cause-oriented organizations which vigorously fought and won against the dangerous and fraudulently constructed nuclear plant will not take this (settlement) sitting down," Nelia Sancho, BAYAN national chairman, said in a statement distributed to newspaper offices.

Malacanang Wednesday agreed to "suspend" trial on the bribery charges it filed against Westinghouse, the plant's builder, under an out-of-court deal with the multinational giant.

The settlement would result in payments of some $10 million in cash and $90 million in credits and discounts to the Philippines and would pave the way for the operation of the plant by Westinghouse.

The deal also would allow Westinghouse to improve the plant at a cost of $400 million to be funded by new loans from the U.S. Eximbank, the major financier of the BNPP project.

Westinghouse stands to collect a total of $1.2 billion over 30 years as its fees for operating the BNPP, which nuclear experts have declared as unsafe.

The BAYAN statement said Malacanang's decision to settle the bribery case it filed against Westinghouse "shows President Aquino's total disregard not only of the country's moral and legal positions on the issue, but also the very lives of the people living around the plant."

The Aquino administration in 1988 charged Westinghouse in a New Jersey court of having bribed the Marcos regime to win the contract to build the $2.2 billion 620-megawatt plant.

Trial was set by U.S. Federal Court Judge Dickinson Debevoise last Thursday, but the out-of-court settlement suspended it.

Debevoise has also ruled there is enough evidence showing Westinghouse and Borns and Roc Enterprises, another American firm involved in the project, gave Marcos through Marcos crony Herminio Disini over $17.3 million in bribe money.

NPA Spokesman Denies Kidnapping of American

HK1103031992 Manila PHILIPPINES NEWSDAY in English 11 Mar 92 pp 1, 2

[By Dario B. Agnote]

[Excerpt] A spokesman of the communist guerillas in Southern Luzon has said they had nothing to do with the disappearance of American executive Michael Barnes, adding that the accusation earlier made by the military and the police pointing to the rebels as the abductors was nothing but a "propaganda ploy" of the government.

"Malinaw na ginagamit lang ng gobyerno ang pagkawala ni Barnes para lalo pang masamain ang aming kulusan (It is clear that the Aquino government is only using Barnes's disappearance to further discredit our movement)," Gregorio "Ka [comrade] Roger" Rosal of the New People's Army (NPA) Melito Glor Command told NEWSDAY in an interview somewhere in the Sierra Madre mountains over the weekend. "Kung nasa amin nga si Barnes, eh, bakit naman namin siya itatago? Sana noon pa namin inihayag ito (If we had really kidnapped Barnes, why would we keep this a secret? We could have revealed his captivity a long time ago.)"

Rosal, an outspoken NPA leader who carries a P750,000 [pesos] reward on his head, said he had contacted another rebel leader, Leopoldo Mabilangan, or "Ka Hector," who heads the NPA's Banahaw Command in Mt. Banahaw, through a two-way radio upon hearing from police officials in Manila that Mabilangan was the brain behind the kidnapping last January 13 of Barnes.

The inquiry, according to Rosal, turned out to be negative. "Natawa nga si Ka Hector at nabigla na lamang daw siya sa narinig niya sa radyo. Biniro ko nga siya na ilabas na niya kung totoo ngang tinatago niya si Barnes (Ka Hector laughed off the accusation against him, which he had heard over the radio. I even kidded him to produce Barnes if he really had him.)"

Camp Crame intelligence officials said Mabilangan, through a certain Alfredo de Leon, mapped out and carried out the kidnap-for-ransom plan to generate funds for the communist underground movement. Armed Forces and police authorities claimed the financial pipeline of the 22-year-old communist insurgency in the country was badly severed by the demise of the socialist governments in Eastern Europe and the disintegration of the Soviet Union.

As proven in the past, Rosal said, the NPA rebels usually announced to the public the identities of their captives, whether they be military men or civilians.

Rosal mentioned the cases of the military junior officers who were taken hostage in 1988 in Mt. Banahaw, and the foreign nationals "with dubious credentials," including American Arvey Duane Drown who is still being held captive by NPA rebels in Northern Luzon.

Rosal warned the public not to fall into the "trap" set by the military and the police in making the people believe that NPA guerillas indulge in this kind of activities.

"Bahagi ito ng psychological warfare ng gobyerno na kasalukuyang napapaloob sa estratehikang Lambat Bitag kung saan sa pamamagitan ng paulit-ulit na pagpapalabas nito ay naiiwan ito sa isipan ng mga masa (This is just part of the psychological warfare being waged by the government by means of Operation Lambat Bitag [Net Trap] which calls for repeated propaganda such as this.)" [passage omitted]

'Experts' To Ensure Bataan Nuclear Plant Safety

HK1103034492 Manila PHILIPPINE DAILY INQUIRER in English 11 Mar 92 p 6

[Text] President Aquino yesterday allayed widespread fears about the planned operation of the Bataan Nuclear Power Plant, saying international experts will be hired to ensure the plant's safety.

"The safety of the Bataan Nuclear Power Plant will have to be certified by an acknowledged body of international experts before it goes into operation," Ms. Aquino said in a press statement.

Various sectors are opposing the government's out-of-court settlement of a bribery lawsuit against Westinghouse Electric Corp. which built the defective and unsafe 620-megawatt Bataan Nuclear Power Plant.

The controversial out-of-court settlement would allow Westinghouse to refurbish and operate the plant which Ms. Aquino had mothballed in 1986. During her presidential campaign in 1986, Ms. Aquino had vowed never to operate the plant which was found to have 200 safety defects.

"This is an act of betrayal of the national interest," the communist National Democratic Front [NDF] said in a statement. "It is also an act of criminal recklessness endangering the lives of millions of people, including those in Metro Manila."

The NDF, the latest group to express opposition to the nuclear power plant deal, said Ms. Aquino "rewards rather than penalizes" Westinghouse for the alleged fraudulent sale of the $2.2-billion nuclear plant.

The NDF said the plant was "over-priced" which Westinghouse sold to the government by bribing President Ferdinand Marcos.

Aquino Thanks Japan for Flood Warning System

HK1103062592 Quezon City Radyo ng Bayan in Tagalog 0400 GMT 11 Mar 92

[Remarks by Philippine President Aquino at the Data Information Center of the Philippine Atmospheric, Geophysical, and Astronomical Science Administration in Diliman, Quezon City on 11 March; first graf is announcer's introduction; Aquino speaks in English—recorded]

[Excerpts] President Aquino has welcomed the construction of a new flood forecasting and warning system on dams in Luzon. The flood forecasting system aims to warn the people living near the five dams—namely Ambuklao, Angat, Binga, Magat and Pantabangan. The flood forecasting and warning system on the dams was inaugurated by the president this morning at the Data Information Center of the Philippine Atmospheric, Geophysical, and Astronomical Science Administration in Diliman, Quezon City. In her speech, the president sought the cooperation of the citizenry for the effective implementation of the project:

[Begin Aquino recording] I am glad that this is only one part of our disaster preparedness program. Secretary Follosco has also informed me that we continue to upgrade our equipment and facility for weather forecasting and the monitoring of volcanic eruptions and earthquakes. At the same time, we have even more extensive training programs for our government personnel. [passage omitted] To prevent disasters, early detection and speedy action, on the part of both the government and the private sector, are necessary. This is possible if there is equipment that can be used to obtain reliable and up-to-date data, a system for processing, interpreting and disseminating this, and people who have the training and the experience in analyzing this information for appropriate action. This system that I inaugurated today has all these elements. [passage omitted] [end recording]

Meanwhile, the president also thanked Japan for its help in the construction of the flood forecasting and warning system on the dams.

[Begin Aquino recording] Let me also thank the government of Japan, the Overseas Economic Cooperation Fund, and the Japan International Cooperation Agency for the flood of financial and technical assistance to this multimillion peso project. We are fortunate that Japan has been generous in sharing its experience in flood forecasting with our people. [end recording]

Armed Forces Chief Leaves for South Korea

HK1103035192 Manila THE CHRONICLE in English 11 Mar 92 p 6

[By Manny Mogato]

[Text] Armed Forces Chief Gen. Lisandro Abadia yesterday left for a four-day visit to South Korea, to enhance bilateral military relations between the two countries.

Abadia was accompanied by Commodore Armando Madamba and Army Brig. Gen. [Brigadier General] Clemente Mariano, all of whom will visit the growing defense industries of South Korea, a possible source of U.S.-made weapons, equipment and other war materials.

A Camp Aguinaldo spokesman said Abadia went to South Korea upon the invitation of his counterpart. He was also returning the visit made by senior South Korean military officials last year in Manila.

South Korea has a new armed forces chief.

The South Koreans offered to sell some defense equipment and materials to the country during their last visit here.

South Korea has advanced defense industries manufacturing aircraft parts and other heavy armaments.

The country will lose U.S. military assistance, the biggest source of military equipment, after the closure of Subic Naval Base this year.

Inadequate Patent Laws Risk Retaliatory Measures

HK1103042192 Manila BUSINESS WORLD in English 11 Mar 92 pp 1, 6

[By Mary Jane O. Llanes]

[Text] The Department of Trade and Industry (DTI) does not intend to strike off the controversial compulsory licensing clause in the country's existing patent laws despite threats from American lobby groups, particularly pharmaceutical firms, that its hard stance could easily open the Philippines to punitive trade sanctions if the issue is raised by them before the United States Government.

The move also comes at a time when American copyright holders are presently urging the U.S. Trade Representative into naming the Philippines along with Poland and Taiwan as a priority foreign country.

Once identified as a priority nation, a country will be subjected to the so-called Special 301 scrutiny and open to the imposition of harsh retaliatory actions. These actions include withdrawal of the Philippines' duty-free status for selected local goods under the Generalized System of Preferences (GSP), thus limiting the access of local exporters to the U.S. market.

This happens when it is proven that a country lacks adequate intellectual property rights (IPR) protection. IPR covers copyrights, trademarks, patents, industrial designs, trade secrets, among others.

A trade and industry official told BUSINESS WORLD that the department, through the Bureau of Patents, Trademarks and Technology Transfer (BPTTT), will instead propose before Congress the expansion of the compulsory licensing provision to provide a healthy dose of competition among local licensee-producers of patented goods.

The clause actually compels the patentee to issue a license to an applicant—a third party—for the use or manufacture of a patented article, usually in the field of medicine, in exchange for royalty payments.

This, the same official said, is patterned after a similar law being applied in the United States and other more developed countries.

"I do not really understand why they are complaining. Other countries do not even have patent laws."

The trade official asked: "Which do they prefer, a country with no patent law which can easily manufacture without having to pay royalty to the patentee, or a country with patent laws where the inventor is protected at least by royalty payments?"

Control

Apparently, U.S. patent holders want control of the market for their produce. Without a compulsory licensing provision, patentees will have the sole right to manufacture and use their respective inventions.

"In this case, they can command whatever price they want. With competition around, we benefit from lower prices."

Under the current setup, local manufacturers are granted a compulsory license if they can show proof of capacity to produce.

In defending the local law's clause, the source said the licensees, in buying raw materials from the patentee for the patented items, will help generate jobs here from its manufacture.

A study by the United States embassy here shows that the main problem with the Philippines patent law is its compulsory licensing clause which, it claims, discourages foreign investment and technology transfer.

Altogether, according to the study, only 15 applications have been made for compulsory licenses of U.S. patents, 14 of which were for pharmaceuticals.

Of the applications, only four compulsory licenses have been granted, the most recent of which was in 1987.

At the same time, the official said the DTI intends to reduce the term of protection for patented goods under the same law from 17 years from grant to 12 years from filing.

Apparently, Government's moves run counter to an earlier draft proposal by the Council to Combat Counterfeiting and Piracy of Patents, Copyrights and Trademarks (COMPACT)—the umbrella organization of the local intellectual property rights industry—before Congress to maintain the 17-year term of protection for patents plus the removal of all compulsory licensing provisions.

Central Bank Reveals Balance of Payments Surplus

HK1103043692 Manila THE CHRONICLE in English 11 Mar 92 p 16

[By Rodney Diola]

[Text] The Philippines posted a balance of payments (BOP) surplus of $1.4 billion last year, reversing the $185 million deficit incurred in 1990.

The favorable BOP position could be attributed to the country's rising non-merchandise trade surplus, increased inflows of foreign investments, the huge savings from the restructuring of official debts with Paris Club creditors and to a narrower trade deficit.

CB [Central Bank] managing director Amando Tetangco yesterday disclosed the country incurred a $3.2 billion trade deficit last year compared to $4.020 billion in 1990.

Imports last year hit only $12 billion while exports grew to $8.8 billion.

The huge BOP surplus proved the country had an abundant supply of dollars last year, he said.

CB officials said the country's gross international reserve was expected to hit $5 billion this month because of the Central Bank's active purchase of dollars on the trading floor of the bankers Association of the Philippines.

The CB infused at least P250 million [pesos] daily into the financial system last week with its heavy dollar purchases.

CB's foreign reserve is expected to be whittled down nearer to $4 billion this year once the government conducts its buy-back of the country's debts owed to commercial banks.

Central Bank Governor Jose Cuisia Jr. said the country intends to buy at substantial discounts in the secondary debt market at least $1 billion of the debt $5 billion of the restructured amount.

Naval, Air Base in Mindoro Occidental Proposed

HK1103040892 Manila THE MANILA CHRONICLE in English 11 Mar 92 p 6

[By Manny Mogato]

[Text] San Jose, Mindoro Occidental—Senior military officials yesterday surveyed the sites of proposed air and naval bases here, aimed at beefing up the country's external defense capabilities.

Defense Secretary Renato de Villa said the areas for the proposed bases were offered by the local government after the national government revealed its plan to convert major military facilities and installations in Manila into commercial and industrial complexes.

De Villa, accompanied by the Southern Luzon Command chief, Army Brig. Gen. [Brigadier General] Federico Ruiz, and Mindoro Occidental Governor Pedro Medalla, made ocular inspections of the base site in Paluan Bay, Northwestern Mindoro, and the airport where the proposed air base would be constructed.

Medalla said the development of military bases here would help stimulate economic growth and improve the country's security.

He said Paluan Bay offered a deep and covered harbor for naval ships, especially during typhoon season.

De Villa agreed with the governor's observation, saying the bay was strategically located between Palawan and Luzon. He said the naval base would be near an existing base in Cavite which the government planned to convert into a container port for Calabarzon [Caulte, Laguna, Batangas, Aorora, Quezon].

Another military officer said the area was also good for staging amphibious landing training for marine troops and jungle training for ground forces.

But some senior naval officials expressed reservations. The Armed Forces deputy chief of staff for logistics, Commodore Daniel Delgado, said the harbor was inadequately protected, particularly from southwest winds coming in from July to November.

He said the military could build breakers, but this was costly.

Medalla said his province was the first to offer the military an area to develop into bases after it learned of government plans to sell military camps in Metro Manila and Cavite to generate enough money for the conversion of both Clark Air Base and Subic Naval Base into civilian commercial and industrial complexes.

The military said some units in Villamor Air Base and Fort Bonifacio would soon start moving into Clark and Subic.

Cubi Point has been designated as a military area for both the air force and navy.

The military has been looking for alternative sites for their would-be displaced facilities in the metropolis.

Exercise Confirms 'Most Primitive Navy'

HK1003124192 Manila PHILIPPINE DAILY INQUIRER in English 9 Mar 92 pp 1, 12

[By Gay L. Dumat-ol]

[Text] Should the Chinese or Vietnamese naval forces seize the Spratly islands, the Philippine Navy might not even reach the scene of battle on the South China Sea.

"They can fire their missiles even before we can see them on the radars and we may never know what hit us," Rear Admiral Mariano J. Dumancas, Navy chief, said after six days of war exercises last week.

The war exercises confirmed that the Philippines has the most primitive navy in Southeast Asia, which cannot even defend the country's claim to a part of the Spratly islands.

The Spratlys on the South China Sea, according to analysts, is likely to be the next flashpoint in Asia. The chain of islets and coral reefs believed to hold rich gas and oil deposits is claimed by the Philippines, China, Vietnam, Brunei, Malaysia and Taiwan.

Dumancas said the Philippine Navy consists mostly of World War II vintage ships, hand-me-downs from the United States, which are prone to engine trouble.

Many of the Navy's guns, including the largest aboard the flagship BRP [expansion unknown] Andres Bonifacio, jammed or misfired during the gunnery exercise.

Aside from antiquated ships, gun equipment, Navy men complained of living conditions comparable to a prison cell, with rundown air-conditioning units, low water supply and unpalatable food.

"It is as if we are sleeping in an oven but instead of bread, we smell bunker oil," said a junior officer.

Water is rationed, particularly during week-old journeys when once-a-week baths are considered a luxury and a daily glass of water would have to do for drinking and brushing one's teeth.

Meals consist of galunggong [a fish], thin soup and rice. The Navy men's salaries match the deplorable conditions in their ship: The basic pay of a captain (whose rank is equivalent to a colonel in the Army), is only about P5,000 [pesos].

Still, the pathetic conditions have not affected the Navy men's pride in defending the country's vast shores and P30-billion maritime industry.

Throughout the exercises, the officers and men simulated air attacks, amphibious assaults, gunnery, rescue operations and other war games with unmatched enthusiasm.

"We are not complaining (of the conditions) because we know the government does not have money," said a junior officer.

Other officers, however, blamed the pathetic state of the Navy to the century-long presence of U.S. military forces in the country.

"The U.S. dictated what our Navy can and cannot buy. The Americans did not approve of us having a modern Navy," said a senior officer who asked not to be identified.

Other officials said the Philippines grew lax in building a creditable Navy because of overdependence on the sophisticated U.S. naval equipment at Subic Naval Base.

Another senior officer blamed the Marcos regime, "which was wary of a strong Navy and Air Force because when equipped well, the two forces could launch a coup attempt."

A $10-billion Navy modernization program proposed in Congress two years ago has gone nowhere. If approved, the program provides for the acquisition of six combat ships, three of them armed with missiles, during the first half of the 10-year program.

Aquino Declines Comment on Ramos Coup Charge

HK1103031892 Manila THE CHRONICLE in English 11 Mar 92 p 9

[By Booma Cruz]

[Text] President Aquino yesterday refused to comment on the charges made by a classmate of renegade soldier Gregorio Honasan that her choice candidate, Fidel Ramos, had plotted four coup attempts against the government.

"No comment," Mrs. Aquino said in reaction to claims of former assemblyman Jesus Paredes, Honasan's classmate, that Ramos played an active role in planning at least four attempts to topple her government.

Press Secretary Horacio Paredes said Mrs. Aquino would rather discuss the substantial issues. He added that the former assemblyman's comments were "more leery than factual" and therefore, do not deserve attention from the President.

"These are political issues that will be going back and forth. She does not want to be a part of it. There are more substantial issues which the President would rather address. This is best left to the political arena. If it (the charge) were more factual, she might take it into account," Paredes said.

Although the President refused to comment on the charge, Malacanang reiterated that Ramos continues to enjoy the President's confidence.

Paredes noted that the President had looked into Ramos' record before she endorsed the Lakas ng Edsa-NUCD [Edsa Power-National Union for Christian Democrats] presidential bet. Mrs. Aquino, he said, was convinced that Ramos' actions during the past coup attempts were "exemplary."

"She's not denying it (Ramos' involvement in the coup). She's just not involving herself in it. She has investigated and is sure Ramos' actions during the coups were exemplary. The President is not the type of person who would leave her choice candidate over a small talk like this," the press secretary said.

Mrs. Aquino also refused to comment on Rep. [Representative] Raul Roco's challenge to Ramos to quit the race because he failed to fulfill his promise to explain his trip to Zurich, Switzerland after three weeks.

"Again, since this is part of the political debate, it is best that the candidate answer," the President told reporters.

Lakas-NUCD spokesman Rafael Alunan also dismissed Roco's challenge, saying Ramos has sufficiently explained the reasons for his trip.

Alunan referred to the Feb. 18 statement of Christian Democrat International [CDI] that the majority party of the Council of Europe welcomed Ramos' candidacy because of his leading role in a CDI-sponsored seminar in the Philippines five years ago.

Thailand

Decisions on Civil, Military Purchases Deferred

BK1103014392 Bangkok THE NATION in English 11 Mar 92 p A1

[Text] The Cabinet yesterday deferred a decision on the plan by Thai Airways International to invest Bt [baht] 180 billion in new aircraft, while the prime minister has apparently decided to let the next government handle the air force's controversial request to spend Bt5 billion on the new training jets, informed sources said yesterday.

The sources said Prime Minister Anan Panyarachun would "talk directly" with the air force to inform it that the request to buy 50 L-39 Albatros jets from Czechoslovakia should be considered by the next government. The purchase plan was not considered yesterday by the Cabinet, which will hold its last meeting next week.

The government screening committee on economic affairs ruled last week that if the air force went ahead with the purchase of the L-39 jets it would overspend its budget.

The Cabinet postponed a decision on THAI's purchase plan because of the scant information submitted by the airline, according to ministerial sources.

The airline presented only five pages of information to the Cabinet. Technical details were lacking and business plans were inadequately explained, the sources said, adding that THAI was instructed to re-submit the entire Bt180-billion package for consideration again next Tuesday [17 March].

The economic screening committee last week endorsed the THAI proposal but was said to have bypassed technical considerations. Sources said if the airline fails to re-submit more details for the next Cabinet meeting, the next government will consider the proposal.

The airline plans to buy four 400-seat, eight 380-seat and seven 300-seat jetliners over the next seven years. Boeing and Airbus are expected to be among the major suppliers.

In addition, the airline plans to sell old aircraft to reduce the age of its fleet. At the end of its long-term plan, the airline expects to have a younger fleet of 79 aircraft, up from the present 60.

Anan: Continued Growth Requires Environmentalism

BK1003020592 Bangkok BANGKOK POST in English 10 Mar 92 p 3

[Text] Sustainable development can only be achieved when all nations act together as a unified force, Prime Minister Anan Panyarachun said yesterday in his keynote address at the international symposium on "Energy and Mineral Resources in the Circum-Pacific Region and Environmental Impact of Their Utilization" at Queen Sirikit National Convention Centre.

"Sustainable development can never be addressed fully unless we play our part in the international battle against environment degradation," he said, adding "for this reason, Thailand is ready and willing to play an active role in the forthcoming United Nations Conference on Environment and Development which is scheduled to take place in Rio de Janeiro, Brazil, in June this year."

The Prime Minister cited some of the steps already unilaterally taken in Thailand which will contribute towards the solution of global environment issues. The measures include a logging ban, promulgation of a new comprehensive Wildlife Act, a new law on environment and the introduction of unleaded gasoline.

Environment degradation is one issue which cuts across national boundary and poses a real and imminent threat upon the future of mankind, he said.

"All of us have to share common natural endowments, which could be considered global heritage, ranging from the air we breathe, the water we drink, to the climatic conditions governing the way we live. It is through the upholding of this common heritage that sustainable development can be achieved," he added.

Integrating the ideas of sustainable development into daily operations is a great challenge for all sectors of industry but none more so than the energy and mineral resource industries since they are in the vanguard of environmental stewardship, said Prime Minister Anan.

"Development of new energy sources, production, distribution, transportation and consumption of energy, all have the capacity to create severe environmental impacts," he added.

The Prime Minister, however, reminded his audience that the reality of attaining sustainable development must not be lost behind its rich rhetoric.

"The reality entails making major changes in the way we organise our societies. Primarily, the values of sustainable development, when they are achieved, will change national and international attitudes toward consumption. Far-sightedness and prudent use of natural resources will have to replace excessive exploitation which has created many of our environmental problems," he said.

"The surging interest in environment should be viewed not as a burden to growth, but rather as an opportunity as well as a precondition for future growth itself. This requires not only the new approach on the part of government policy, but also a new and positive thinking on the part of the private sector and the general populace," said Prime Minister Anan.

"For the government, this will mean developing policies to promote the optimal use of resources ahead of exploitation and also by providing the framework through which other sections of society can adjust.

"For the private sector, the new concern and interest in environmental protection is readily translated into new business opportunities. Companies which understand the concept of sustainable development will be far more likely to survive and flourish than companies which do not," said Prime Minister Anan.

Economic Commission Meeting With China Opens

BK1003142692 Bangkok Voice of Free Asia in Thai 1030 GMT 10 Mar 92

[Text] A ceremony to open the seventh meeting of the Thai-Chinese Joint Economic Commission was held at the Foreign Ministry at 0830 today. The meeting, scheduled to be held between 10 and 12 March, is held under the agreement on the establishment of the Thai- Chinese Joint Economic Commission signed on 12 March 1985. The agreement stipulates that meetings of the joint commission be alternately held in Bangkok and Beijing.

The head of the Thai delegation is Deputy Foreign Minister Wichian Watthanakhun; the Chinese delegation is led by Wang Wendong, vice minister for foreign economic relations and trade. The main purposes of the meeting are to review the implementation of the agreement in the economic and trade cooperation field, to study and settle problems, and to find ways and recommendations to expand and strengthen cooperation in the economic and trade field between the two countries.

Mexico Agrees To Adhere to GATT Principles

BK1103015792 Bangkok THE NATION in English 11 Mar 92 p B3

[Text] Mexico has announced that it will adhere to the GATT principle of not imposing trade barriers against other countries after forming the North American Free Trade Area (NAFTA) with the United States and Canada.

The announcement was made by Pedro Noyola de Garagorri, Mexico's deputy commerce minister, after signing a Thai-Mexico supplementary trade agreement with his Thai counterpart M.R. Pridiyathon Thewakun early this week.

Noyola said that although Mexico is negotiating with the United States and Canada on the establishment of NAFTA, the Mexican government has adopted a clear-cut policy of adhering to GATT article 24, which stipulates that countries joining any trade bloc must not increase trade protectionism against nations outside the group.

Asked to comment on the increasing trade protectionism by the United States, Noyola said that regardless of what happens with NAFTA, there must be no barriers to trade with countries outside the group.

Noyola added that if other countries feel that NAFTA's trade practices violate article 24, they can file complaints with the world trade body.

The Mexican minister said the bilateral trade agreement between Thailand and Mexico will work for the mutual benefit of both countries following the establishment of NAFTA and the ASEAN Free Trade Area (AFTA) by the six ASEAN countries.

Noyola said the Thai and Mexican governments should also try to promote trade cooperation between the two nations private sectors as a means of helping strengthen bilateral trade relations.

He said three trade missions from the Thai private sector had visited Mexico in the past sixs months and several activities had been undertaken.

Pridiyathon, meanwhile, said that under the Thai-Mexico supplementary trade accord, the two sides have agreed to exchange information that will help to expand trade.

The agreement also stipulates that the two countries exchange trade representatives, organize trade seminars and arrange a ministerial-level meeting once a year and more often for trade officials, Pridiyathon said.

Humanitarian Aid Given to 6,500 Burmese

BK1003033892 Bangkok Radio Thailand Network in English 0000 GMT 10 Mar 92

[Text] Around 6,500 people from Myanmar [Burma] are being treated at the hospitals in Ranong Province bordering Myanmar in the south.

Permanent Secretary for Public Health Uthai Sutsuk says that the ministry has coordinated with health officials in Myanmar to prevent outbreak of diseases along the border. Threatening the area are such diseases as AIDS, malaria, and elephantiasis.

Dr. Uthai says that hospitals and health centers in Ranong have had to waive fees as few people from Myanmar can afford to pay. Consequently, a heavy burden is placed on the hospitals to balance humanitarian aid and surviving on their meager budgets.

The Ministry of Public Health is considering allocating a special budget for Ranong and other border provinces to address these problems and provide more efficient humanitarian aid.

Phalang Tham Party Platform Summarized

BK1003013192 Bangkok THE NATION in English 10 Mar 92 pp A1-A2

[Text] Phalang Tham Party leader Maj Gen Chamlong Simuang should at least receive the post of deputy prime minister in charge of the national committee on the development of Bangkok and outlying areas, or as interior minister, if the party agrees to join the next coalition government, a senior party member said.

"At least he should be deputy premier," said ACM Arun Promthep, who is Chamlong's chief adviser in the PDP [Phalang Dharma Party].

"Indeed, the party also wants him to take over as interior minister in those circumstances but I don't think they (prospective coalition partners) would accept that."

Arun's comments during an interview with The Nation were in line with a call by senior party member, Udomsin Srisaengnam, for voters to elect Phalang Tham candidates to allow Chamlong to become chairman of the Greater Bangkok development committee, while electing party member Capt Kritsada Arunwongse Na Ayuthaya as Bangkok governor.

Udomsin, a former party secretary general, is running for his second term as an MP [member of parliament] in Constituency 5 which covers Huay Kwang and Klong Toey. He made his call during a news conference at which the party announced its plan to solve Bangkok's traffic woes, a problem Chamlong has described as becoming a "national problem". Finding a cure for the capital's traffic woes is one of the PDP's top campaign pledges for the March 22 general election.

"The next prime minister or a deputy premier can take the chairmanship of the national committee," Arun said. "But even if the party leader becomes deputy premier with purview over the committee, he can do a lot in that capacity with public support because he is a clean man and thus he can be vocal on things that are wrong. There are ways to push through our programmes and measures, even if we do not control the interior and the communications portfolios which are directly related to traffic problems," he said.

Arun said the party would accept an outsider, who is recognized by the public for his integrity, his political neutrality and for not having any vested interests, as interior minister. However, the interior minister and the party should fundamentally agree with the party's platform to promote democracy at the grassroots.

The party advocates the election of village headmen and Khammans for specific terms, which could be four, five or six years, he said.

Arun said the party regarded the communications portfolio as less important than the interior portfolio.

"In fact, we in the party do not have much interest in running economic-related ministries. The only exception is probably the agriculture ministry which we think affects the common man throughout the country and serves our policy of emphasizing the distribution of incomes," Arun said.

Other portfolios which the party is interested in running are the public health and education ministries.

While the interior ministry is the most important ministry, the finance ministry is the central pillar of the economic-related ministries, Arun said.

He said he believed outsiders without party affiliations but with competence and recognition should be nominated to head such ministries as commerce, finance and foreign affairs.

Arun said the PDP had not formally discussed the qualifications of its people for different Cabinet portfolios.

"Of course, we have names in mind but we have not compared notes because, by looking at the political tendencies now, we don't think we have a good chance of becoming party of the next governemnt. If we look at the political situation in the Thai way, then it is likely the next government will be formed by the Chat Thai, Samakkhi Tham, Social Action and Prachakon Thai parties. Such is the power of money in the election now," he said.

"If we are in opposition, you can expect more drama from our party because our party leader will be present in the House to lead Phalang Tham MPs," he said.

But Arun said he would not rule out the possibility of the party becoming part of the next government, saying that naturally much depended on the results of the March 22 general election.

Arun said Phalang Tham has plenty of members prepared for Cabinet posts at the level of deputy ministers. The party also had competent connections who could be invited to take up ministerial posts, he said.

He cited the following examples:

—Deputy leader Suthip Atthakon as deputy interior minister.

—Secretary general Shinawut Sunthonsima, the first Thai to have been awarded a doctorate in microeconomics and who has served as economic planner for Escap for many years, as deputy finance minister. For the top ministerial job at the same ministry, the choices could be former permanent secretary for finance Chanchai Lithawon, or former deputy finance minister and now a leading Thai Military bank executive, Dr. Supphachai Phanitchaphak.

Dr. Raphi Sakharik as agriculture minister, and Dr. Choemsak Pinthong, an academic specializing in agriculture, could be deputy agriculture minister or even agriculture minister.

Magsaysay award winner Krasae Chanawong as public health minister, Udomsin Sisaengnam as deputy public health minister. Dr. Chaiyan Kampanatsaenyakon, who is recognized in the international medical community after having served many years in a top-ranking post at the World Health Organization, is another candidate for the public health portfolio, he said.

Dr. At-ong Chumsai as science, technology and energy minister or deputy education minister. The education ministry should be allocated to a well-known, recognized outsider. "We have a plenty of connections who are helping us and are capable of becoming education minister," Arun said.

Khruawan Samanan, who is running in Bangkok's constituency 3, is also a choice for ministerial posts at the Science, Technology and Energy Ministry, the Induty Ministry and the Commerce Ministry. Kruawan is managing director of the Becthai company, a top-ranking importer of scentific and medical equipment.

Arun said his party was still new in national administration and therefore having qualified party members serve as deputy ministers would be good training for them.

"Ours is also the only party which has made it clear in our regulations that there is no connection between being an MP and a Cabinet member. Of course, we will give our members the chance of participating in national administration but for key jobs, the ministers must be recognized by the public," he said.

Arun also outlined the basis of the party's platform:

—In the political and administrative spheres, apart from its plan for election of kamnans and village headmen, the party also advocates expansion of the election for governor from Bangkok to other regional capitals.

"We know the two programmes cannot be implemented immediately and we don't mind a more gradual pace for its implementation. For example, in some areas we may allow village headmen to retire before introducing the system of election with fixed terms," he said.

—To curb corruption, the party advocates amendments to the Counter Corruption Law to cover not only government officials and Cabinet members but also senators and MPs.

"In fact, we have also discussed the possibility of including party executives under the scope of the law," he said.

The amendments also would empower CCC [Counter Corruption Commission] officials as investigatory officers, enabling them to forward their investigation reports directly to public prosecutors without having to go through the Police Department and the Interior Ministry.

—Agriculture policy is a highlight of the party's platform. The party plans to introduce two complementary but separate agricultural systems, giving farmers a choice.

The first system is an integrated one, tailored to serve business and exports. Businessmen and exporters will be the core of the system with the more affluent farmers participating. Farmers in this sector will be smaller in number than those in the alternative sector but their combined land and production would be greater. Such a system already exists with big business and exporting groups playing key roles. The Agriculture Ministry would promote the roles of medium-sized and small-sized business groups in this system to help develop the country's agro-industry.

The other system calls for participation by poor farmers with small plots of land who are in debt. Farmers would be educated on ways to cut spending, increase productivity and finally rid themselves of heavy debt while helping protect the environment and natural resources. They would be encouraged to undertake the "agriculture by nature" mode of production in which each would allocate a small portion of his lot to raise fish and livestock for family consumption, while enriching the earth. An array of vegetable sand crops would also be grown on the plot.

They would take whatever vegetables and crops they need for their own use and sell the rest to the markets, he said.

"We have examples of farmers who have rid themselves of heavy debt within three years resorting to this mode of agriculture production," he said.

Phalang Tham also advocates the line proposed by Dr. Choemsak Pinthong and Dr. Amma Sayamwanla on the bargaining power of farmers.

The government should support the formation of an agriculture council as a private sector organization, similar to the Association of Thai Industries, the board of Trade and the Association of Thai Bankers. This council should be allowed to play an important role in the Public-Private Sectors Coordinating Committee.

—On land reform and restriction of land ownership, Phalang Tham wants the government to increase the budget for land reforms. Arun said pushing for legislation to restrict land ownership would be too controversial. A better alternative was to impose higher property taxes collected by local governments.

—On public health policy, the party emphasizes on expansion of the networks of health stations in rural areas by promoting the roles of public health volunteers working in rural and remote areas. They would be given authority to distribute basic medicines free of charge.

—On AIDS and prostitution, the party considers unequal distribution of income the root cause of the problems. The party disagrees with the Anan government's efforts to push through prostitution legislation on the grounds that it could become a "double-sworded edge" [as published] by promoting prostitution. It is also too controversial, he said.

—On industrial waste, the party advocates the Anan government's policy of promoting investment in hightech industries to eliminate dangerous industrial wastes.

—The party supports the value added talk (VAT) in principle but agrees changes are needed. It agrees with the introduction of a tax amnesty similar to that adopted in 1986, to bring tax evaders into the new system. The party will be open-minded about proposals to reduce the rate of VAT.

The party advocates in principles fresh moves to cut personal and corporate income taxes but the rates have yet to be studied.

In general, the party supports the financial and monetary policy introduced by the Anan government, including the introduction of legislation to establish the Security Exchange Commission and the promotion of new debt instruments in the financial markets.

—On the Anan government's cornerstone policy of liberalizing the economy by promoting the roles of the private sector, Arun said his party supports the initiatives. But he said the policy must be followed up by measures to prevent "the big fish from eating the small fish". He called for a package of diverse measures.

Arun, admitting the party has yet to develop its policy on economic issues in greater detail, said the party is still studying such measures.

Two Burmese, One Thai Wounded in Mon Attack

BK1103104492 Hong Kong AFP in English 1017 GMT 11 Mar 92

[Text] Bangkok, March 11 (AFP)—Two Burmese and a Thai worker were wounded when mortar shells apparently fired by Burmese troops at Mon guerrillas landed off target on a Thai border village, a senior Thai official said Wednesday [11 March].

Governor Narong Saengsuriyong, reached by telephone in Kanchanaburi, said fighting erupted when an unknown number of guerrillas belonging to the Mon National Army (MNA) launched an attack on a Burmese army position March 8 with mortars and heavy machine gun fire near the Three Pagoda Pass.

An officer, contacted by telephone at the headquarters of the Thai Border Patrol Police in Sangkhaburi border district, said seven Chinese-made 60mm mortar shells believed to have been fired by Burmese troops landed in the Thai village near the Three Pagoda Pass also damaging four houses.

"The fighting is over for the time being. There is only sporadic gun fire now and then, but we are now on alert to stop the fighting from spilling into Thai territory if it starts up again," the officer added.

The Three Pagoda Pass, a strategic, rocky passage through the Bilauktaung mountain range which marks the natural border between Thailand and Burma, is a border trading point which was the scene of heavy fighting between Burmese troops and Mon guerrillas in 1990.

Shooting Incidents on Malaysian Border Reported

BK1003140692 Bangkok Army Television Channel 5 in Thai 1230 GMT 10 Mar 92

[Text] A criminal element of unidentified affiliation and number fired weapons at a bus carrying Singapore tourists while traveling between Narathiwat and Pattani Provinces, wounding five tourists. A group of about 50 Singapore tourists were riding in a bus belonging to Pasdi Tour Company which entered Thailand at the Sungei Golok border checkpoint this morning to visit southern Thai provinces when the bus was fired on by weapons believed to be M-16's while traveling between the 37th and 38th km posts which connects Narathiwat and Pattani Provinces. The culprits then fled the scene.

Three incidents have occurred in the past few days. On 7 March, a group which called itself BRN [expansion unknown] fired at the wood processing plant belonging to Yala V.R. Supply Company in Bannang Sata District, Yala Province and demanded 300,000 baht in protection money. On 8 March, an unknown group threw a grenade at a police booth in Yi-ngo District, Narathiwat, wounding three children nearby. The third incident involved the above-mentioned shooting.

Vietnam

Joint U.S MIA Search Team Flies to Coc Hamlet

BK1003152992 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 10 Mar 92

[Text] As requested by the U.S. side, on the afternoon of 5 March, the Vietnamese side agreed to conduct an immediate investigation into a report that there is an American being detained at Coc hamlet in Thanh Yen village, Thach Thach district, Thanh Hoa province, in the close vicinity of Ninh Binh Province. This is a mountain village with 95 percent of the population being Muong ethnic people.

To ensure the unexpected factor, the U.S. side informed us of the location only one hour beforehand. U.S. and Vietnamese experts used helicopters to travel to this location, which is over 100 kms from Hanoi.

Present on the U.S. side were Colonel Robert Destate, in charge of document studies, and Mr. Emmeti Morgan, who specializes in monitoring and investigating reports on live Americans. Both belong to the American MIA Office in Hanoi. Attending on the Vietnamese side was Mr. Ngo Hoang, deputy director of the Vietnam's organ in charge of searching for MIAs and some experts.

At the destination, U.S. experts were allowed to meet the village people's committee and cadres of Yen Son hamlet—formerly known as Coc hamlet—and a large number of the local people. U.S. experts were also allowed to freely talk to a number of families at Coc Hamlet.

According to a document on the U.S. side, in 1986 they received a report that Vietnam had a well-guarded prisoner detention camp at Coc Hamlet. Investigation results found that the report on the detention camp and on a live American being held at Coc Hamlet is a sheer fabrication. U.S. experts asked questions directly, and were answered by the local people that never before had any foreigners come to this hamlet and that this was the first time that the hamlet was visited by foreigners—referring to the presence of the two U.S. experts. The U.S. experts thanked the local cadres and people for their enthusiastic cooperation in answering many questions, and for their readiness to guide U.S. experts anywhere in the village as requested.

The U.S. experts also reported back to the United States that they had found no detention camps remaining at Coc Hamlet. Through their interview with the people, they also reached the conclusion that never before had any foreigners lived there.

Commentary on Recent Investigation

BK1103113792 Hanoi Voice of Vietnam in English 1000 GMT 11 Mar 92

[Station Commentary]

[Text] The United States and Vietnam have just concluded an investigation into a report that some Americans are still detained in Vietnam. Last week, American investigators found no evidences to the claim. In this connection, here is our radio comment:

Last Thursday, 5 March, American experts in the delegation led by Assistant Secretary of State Richard Solomon, who were on a visit to Vietnam, informed us of a report sighting six years ago of live American prisoners still detained in Vietnam, and the U.S. side requested, at short notice, field investigation into this report. After receiving a one-hour notice from the U.S. side, an investigation team took off by helicopter from Hanoi for the destination. The team travelled to Xom Coc, now called Yen Son, in the province of Thanh Hoa, about 100 km south of Hanoi where the Americans were told there was a heavily guarded prisoner camp. These investigators, including Colonel Robert Destate and expert Emmeti Morgan from the U.S. MIA office in Hanoi, talked to local villagers and were helped to look into any places they wished to. The American investigators said they saw no prisoner camp, they also came to the conclusion that no foreigners had ever lived at the locality.

In a press release issued in Bangkok on Monday, 9 March, the U.S. Information Service said the local villagers had little experience with foreigners and it was clear to the U.S. team that they were the first Americans the villagers have ever seen.

Seeing is believing. The recent investigation at the Xom Coc determined that there were no Americans being held in this area and obviously the last [word indistinct] report has been fabricated.

After the investigation, the American team members sent a report to the U.S. Government confirming that Vietnam no longer detains any Americans. This confirmation was revealed by the VOICE OF AMERICA in a broadcast on Tuesday, 10 March.

Commentary Reviews Diplomatic Achievements

BK0503081192 Hanoi Voice of Vietnam in English 1000 GMT 3 Mar 92

[Unattributed commentary]

[Text] Vietnam has in the past months continued deploying its policy of making friends with all countries and has achieved encouraging results. Following the positive political and diplomatic activities over the past one month, the relations between Vietnam and Southeast Asian countries have developed well.

Following the friendship visit to Laos by Premier Vo Van Kiet and the visit to Cambodia by Foreign Minister Nguyen Manh Cam, the traditional relationship between Vietnam and these two neighboring countries have been maintained and constantly strengthened. After the Paris Agreement on Cambodia, this country has turned to a new stage and met with numerous difficulties. However, it continues to keep its commitment in political and economic ties with Vietnam. Prince Norodom Sihanouk has expressed his desire to visit Vietnam soon and affirmed his determination to consolidate the traditional relations with Vietnam.

Laos and Vietnam have just concluded an economic agreement for the coming years. Under this agreement, the two countries will assist and cooperate with one another in economic development. Meanwhile, Premier Vo Van Kiet has visited all ASEAN countries. By now, Vietnam signed many economic agreements with them who supported Vietnam's accession to the Bali Treaty of Amity and Cooperation and the ASEAN.

Southeast Asian businessmen have come to visit Vietnam one group after another. Air links between Hanoi and Ho Chi Minh City and the capitals of ASEAN countries have been resumed or established. This further enables the exchange of visits between Vietnam and Southeast Asia which is now considered the most dynamic region in the world.

Important events are also seen in the Sino-Vietnamese relations. For the first time in history of the relations between the two countries, Chinese Foreign Minister Qian Qichen paid an official visit to Vietnam. During the visit, an economic agreement was signed, and other agreements will be finalized in the coming period. But the most important significance is that through this visit, the Sino-Vietnamese relations have been normalized and developed positively.

Besides these major political events, Vietnam has undertaken other activities. Mrs. Nguyen Thi Binh, president of the foreign relations committee of the National

Assembly headed a delegation to the United States to take part in the third Vietnamese-U.S. talks. Twenty years ago, she was one of the negotiators of Vietnam at the Paris conference which led to the U.S. withdrawal and the ceasefire in Vietnam.

Earlier, General John Vessey, special envoy of the U.S. President visited Vietnam. He affirmed that the United States should normalize its relations with Vietnam. Though there remain difficulties and complexities, with its correct foreign policy, Vietnam has won a worthy position in the world in general and in the region, in particular.

People Contribute Views to Draft Constitution

BK0803140292 Hanoi Voice of Vietnam in English 1000 GMT 6 Mar 92

[From the "Talk of the Week" feature]

[Text] The Committee for the Amendments to the Constitution has heard a report reviewing the suggestions contributed by people from all walks of life to the third draft of amendments to the 1980 Constitution. The committee welcomed and highly valued those suggestions and contributions which demonstrate the people's responsibility and their collective mastery of this fundamental decree of the state. This has been the biggest ever political activity involving people throughout the country.

For half a year now, there has been not a single day without the mass media reporting on the necessity of contributing to the draft constitution. There were in Hanoi 3,600 meetings with the participation of 510,000 people and 1.4 million suggestions within a short period of time just before the traditional Lunar New Year festival. All these suggestions and contributions show that the state's decision to amend the 1980 constitution was wise and suitable to the current socioeconomic development and to current developments in the world. It is common knowledge that gathering people's opinions concerning the draft constitution brings into full play their collective wisdom and at the same time makes the constitution more realistic.

Meanwhile, people in Ho Chi Minh City made more than half a million contributions to the draft constitution. They held that the draft amended constitution is much better than the 1980 constitution. It has a flexible spirit of renovation adopted at the Seventh Party Congress with a view to building a prosperous Vietnam. People in Ho Chi Minh City shared the view that the chapter on Vietnam's economic system reflected the economic reform of the seventh party congress. This reform has given people more confidence in the party's policies and encouraged them to invest in production or doing business. People also found that the amended constitution reflected the new ways of thinking, ensuring socialist democracy in line with the current practices in Vietnam.

Worthy of note is that almost all people were for Article 4 of the draft reaffirming the leading role of the communist party in the current socialist construction in Vietnam.

Many people also pointed out the weak points of the draft constitution. Some proposed that we should call this draft the 1992 constitution, not the amended one. Others suggested that an official system of laws be formed immediately after the approval of this draft Constitution and that these laws must be popular among the people so that they can be obeyed by the masses.

The National Assembly will meet in late March to approve the amendments to the new Constitution of Vietnam. The Committee for the Amendments is now working on completing the draft so it can be submitted to the National Assembly for the fourth time.

The Vietnamese people are determined to make the renovation policy adopted by the party congress a reality in order to make the country prosperous and thereby bring people a happy life.

Do Muoi on Role of Intellectuals in Party

BK0603071392 Hanoi VNA in English 0613 GMT 6 Mar 92

[Text] Hanoi VNA March 6—The correctness of the party's policies, strategy and tactics, the quality and effectiveness of its work, its intelligence and leadership capacity are the primordial conditions to overcome the current major challenges, said party General Secretary Do Muoi at the party congress here on March 4-5 of the Central Scientific and Educational Offices. He said: "We must bring into full play the human factor in striving for the happiness of the people. We must train a contingent of intellectuals capable of solving major and longterm problems posed to the party and the revolution." "The process of renovation in general, and of scientific and educational work in particular, has raised many urgent and fundamental questions to be clarified theoretically so as to confirm the right and criticise the wrong, oppose revisionism, opportunism, conservatism and dogmatism in the economic, political and social fields." Do Muoi continued: "To this end, we must on the one hand study and deeply understand the revolutionary and scientific principles of Marxism-Leninism and Ho Chi Minh's thought, develop them and apply them in a creative manner to the new conditions. On this basis, we can make the party's platform more comprehensive, and build the theoretical system for Vietnam's path to socialism and on the role and mission of the Communist Party of Vietnam."

"On the other hand," he said, "we must study problems of our era such as how to evaluate modern capitalism. We must review and draw the necessary lessons from the past more than seven decades of the world realist socialism and apply them to the revolution in our country."

"Besides," Do Muoi added, "we must formulate our own forecasts about the trend of development of the world, the region and Vietnam before we enter the 21st century."

Bac Thai Evaluates Quality of Party Members

BK0903130492 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 7 Mar 92

[Text] In 1991, nearly 11,000 party members and a number of basic party installations in Bac Thai Province were evaluated for compliance with party statutes. Cadres and party members under the management of the district, provincial, or central governments were all scrutinized for observance of the three fundamental contents of the party statutes. As a result, more than 500 party members were subjected to disciplinary measures, including 370 who were expelled from the party.

However, in some localities in Bac Thai Province, the evaluation results did not fully reflect the actual situation. The reported percentage of party members who satisfactorily observed the party statutes was high. Nonetheless, all aspects of their work were of poor quality or displayed signs of sluggishness. No strict measures were taken against a number of cadres and party members who violated law and discipline, who were involved in corruption cases, or who ballyhooed the masses.

Vice Premier: Better Banking Can Curb Inflation

BK1003164092 Hanoi VNA in English 0545 GMT 10 Mar 92

[Text] Hanoi VNA March 10—The state bank must try every way to stabilise the dong's purchasing power so as to help keep inflation rate down to around 30-40 percent this year from around 50 percent in 1991 said First Vice Premier Phan Van Khai on Monday.

Mr. Khai told the daily QUAN DOI NHAN DAN that though the state banks performance last year fell short of expectation in more than one way, it did manage to minimize the issuing of bank notes while taking initial steps in abolishing subsidies through credits by repeatedly readjusting interest rates.

Mr. Khai praised the bank for intervening, though belatedly, in the domestic gold and dollar market late last year and early this year. This, together with the establishment of two foreign exchange centres in Hanoi and Ho Chi Minh City, helped stop the steep climb of gold and the US dollar and restore public confidence in the bank, he said.

1991 also saw the granting of more loans to individual farmers, particularly those in the Mekong River Delta, the vice premier recalled.

He pointed, however, to the bank's chronical inability to work out a fundamental monetary policy and the proper tools to back such a policy in the context of the multi-sector and government-regulated market economy now prevailing in the country. The bank made little headway in its anti-inflation efforts last year. It also failed to provide producers with the money they needed to go on while in fact keeping huge amounts idle in its vaults, Mr. Van Khai adding: one reason behind the reluctance of customers, particularly those in the non-governmental sector, to turn to the bank for help was the high-handedness of bank employees. The vice premier called for an overhaul of all banking operations to help reduce inflation rate this year to 30-40 percent. In addition to reorganisation, he stressed the elaboration of an appropriate monetary policy. He also advised mobilising more idle money, borrowing from foreign sources, readjusting interest and exchange rates and other measures to speed the flow of money.

In a move to completely abolish subsidies through credit granting, the government has decided to apply a single interest rate from now on, the vice premier announced.

Chemical Corps Holds Meeting To Review Work

BK0703054092 Hanoi Voice of Vietnam Network in Vietnamese 1400 GMT 4 Mar 92

[Text] The Chemical Corps just held a meeting to review its work and brief heads of chemical groups and unit leaders on the preparation work for 1992 military training. So far, despite having lower number of personnel, many heads of chemical troops of military zones and Army corps have gained attention from their commands and assistance from related organs and sections for satisfactory completion of their tasks.

The Military Chemical Sector of Military Region One and the Chemical Troop of Tay Nguyen Division have combined their military training with the postwar detoxification of poisonous substances. The Chemical Troop of Huong Giang Division advises military commands on chemical detoxification techniques in military training. The Chemical Sector of the Air Defense Force trains and develops specialized chemical groups according to its duty.

At the meeting, the heads of chemical groups also received briefs on chemical safety under the present military tactics, military training programs, group military exercises, issues relating to poisonous chemicals, registration and statistics of chemicals, and maintenance procedures for equipment and weapons.

In 1992, all units need to improve training quality and to focus on cadre training and the use of primitive and modern equipment.

Aquatic Industry Grows in Mekong River Delta

BK0903072992 Hanoi VNA in English 0634 GMT 9 Mar 92

[Text] Hanoi VNA March 9—The Mekong River delta known for its rich potentials in agriculture and fishery is now becoming an attraction of foreign investments. A strategy to develop aquatic production is underway in the region.

The Mekong River delta covers nine provinces with an area of 39,876 square kilometres and a 736 km-coastline. The region's maritime reserve is estimated at 1,428,000 tonnes, accounting for 46 percent of the country's total. Due to obsolete fishing equipment, fishermen in the region are now able to catch only 605,000 tonnes of fish.

In 1990, the Mekong River delta netted 230,000 tonnes of aquatic products, including 21,000 tonnes of shrimps and 5,000 tonnes of cuttle-fish, not counting other seafoods such as tortoises, crabs and mollusks.

Besides, the catch from maritime culture is considerable. The region's water surface for raising maritime products was extended to 190,000 ha, 66 percent of which for brackish water shrimps rearing. In 1990, the local fish and shrimp breeders caought 160,000 tonnes from their own farms.

The Mekong region has now 28 freezing plants with a total capacity of 20,000 tonnes a year, nine fish-meal factories, and ten fish-sauce factories.

Up to late 1990, the region had a fishing fleet of 11,190 motor-boats and 23,329 small boats with a total capacity of 200-368 hp. It is now in urgent need of capital to upgrade its fishing fleet and fishing techniques for deep-sea fishing.

As a target of the year 2,000, the Mekong River delta region will catch 300,000 tonnes of aquatic products, including 30,000 tonnes of shrimps, 9,000 tonnes of squids and 29,000 tonnes of fish for export. Meanwhile, the area for maritime culture will be extended by 10,000 ha with an expected yield of 180,800 tonnes. The region then will gross an export value of USd 200 million from frozen seafoods.

However, the region is now facing a severe shortage of capital. It needs USd 45.2 million and 200 billion dong in the 1991-1995 period. Besides the limited capital allocated by the state budget, the region will moblise capital from credits at home and abroad, joint ventures with foreign companies and the local fishermen's sums. So far, 43 foreign investment projects have been put into operation in the region.

Radio Reports Free Market Prices on 9 Mar

BK1003022592 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 9 Mar 92

[Text] According to statistics released by the State Pricing Commission, the free market prices in some localities on 9 March are as follows:

The price of a kilogram of ordinary rice is 2,500 dong in Hanoi, 2,450 dong in Haiphong, 2,550 dong in Ha Bac, 2,200 dong in Thai Binh, 2,250 dong in Nam Dinh, 2,700 dong in Lang Son, 2,200 dong in Da Nang, 1,850 dong in Nha Trang, 2,250 dong in Ho Chi Minh City, 2,000 dong in Bien Hoa and Can Tho, 1,950 dong in My Tho, and 1,800 dong in Ca Mau and Long Xuyen.

The price of a kilogram of pork loin is 12,500 dong in Hanoi and Haiphong, 11,500 dong in Ha Bac, 14,000 dong in Quang Ninh, 11,000 dong in Nam Dinh, 11,500 dong in Thai Binh, 15,000 dong in Da Nang, 19,000 dong in Ho Chi Minh City, 16,500 dong in My Tho, 15,500 dong in Can Tho, and 16,000 dong in Ca Mau and Long Xuyen.

The price of a chi of 98-percent pure gold is 502,000 dong in Hanoi, 500,000 dong in Haiphong, 507,000 in Ha Bac, 506,000 dong in Quang Ninh, 502,000 dong in Nam Dinh, 487,000 dong in Da Nang, 501,700 in My Tho, 507,000 dong in Long Xuyen, 498,000 dong in Can Tho, and 508,000 dong in Ca Mau. Ninety-six percent pure gold costs 486,000 dong in Ho Chi Minh City.

The price of a U.S. dollar is 11,600 dong in Hanoi, 11,570 dong in Haiphong, 11,500 dong in Nam Dinh, 11,550 dong in Da Nang, 11,700 dong in My Tho, 11,700 dong in Can Tho, and 11,680 dong in Ho Chi Minh City. The exchange rate at the Ho Chi Minh City Foreign Currency Trading Center on 9 March at opening time was 11,510 dong and at closing time was 11,570 dong for a U.S. dollar. The total trading of the center was $200,000.

The price of a yuan is 1,910 in Lang Son and 1,880 in Quang Ninh.

Nguyen Thi Dinh on Corruption, Smuggling

BK0903161792 Hanoi TAP CHI QUOC PHONG TOAN DAN in Vietnamese Jan 92 pp 10-15

[Report on interview with Council of State Vice Chairperson Nguyen Thi Dinh by an unidentified TAP CHI QUOC PHONG TOAN DAN correspondent on "the anticorruption and antismuggling situation in various provinces in the western Nam Bo region" after her recent inspection tour of these provinces; date and place not given]

[Text] [TAP CHI QUOC PHONG TOAN DAN] Dear comrade: it is reported that you, in the capacity of vice chairperson of the Council of State, recently led a group of cadres to inspect the anticorruption and antismuggling situation in various provinces in the western Nam Bo region. Could you, comrade, give us some ideas about the scourge of corruption and about anticorruption results obtained in the past?

[Nguyen Thi Dinh] The Council of State recently sent a delegation to inspect anticorruption activities in the four western Nam Bo Provinces of An Giang, Hau Giang, Kien Giang, and Dong Thap. The duty of the delegation was to inspect and evaluate the anticorruption and antismuggling situation in these localities to draw on experience to improve implementation of this task. First of all, it should be affirmed that our party and state's policy on fighting corruption and smuggling is totally correct. It meets the people's aspirations and represents a pressing need for stabilizing the socioeconomic situation. Facts obtained after one year of implementating the anticorruption and antismuggling drive have proved the correctness of this observation. Facts have also revealed weaknesses in leadership and guidance activities. It can be said that we have failed to deal with a key problem, that is, to create essential socioeconomic conditions for eradicating those factors and conditions conducive to corruption and smuggling. Although anticorruption and antismuggling results have been great, they are still regarded as limited because only corruption and smuggling activities within the state-run economic sector have been contained. In the outside society, our crackdowns on smugglers, particularly smuggling ringleaders, have been effective only in certain areas and at certain times because smugglers have employed many sophisticated and crafty elusive tricks.

Corruption and smuggling are now a serious illness. Facts obtained in the four provinces have proved the correctness of this observation. It can be said that this phenomenon has existed in almost every sector and echelon. Numerous corruption and smuggling cases have occured, ranging from big cases (involving billions or tens of billions of dong) to medium ones (involving hundreds of millions of dong), or small ones (involving millions of dong). These have inflicted great losses on state property and upset social order. Therefore, fighting corruption and smuggling should be carried out decisively and drastically if we are to consolidate the people's confidence in the party and the state. As the socioeconomic situation at home and abroad is developing in a complex fashion, if we fail to remain alert and vigilant, the enemy will exploit our mistakes by resorting to propaganda tricks to sow division within our internal ranks and create public dissension against our party and state. They have relied on our degenerated and deviant cadres to smear our entire ranks. Indeed, this is one of many tricks employed by the enemy to intensively oppose and sabotage us under their "peaceful evolution" scheme. However, if we cite this situation as a pretext to lie low, losing our determination to fight, or fighting without determination and enthusiasm, the consequence would be disastrous.

In these four provinces, party committee echelons and the local administrations have actively fought corruption and smuggling and have attained encouraging results. Thousands of corruption and smuggling cases have been dealt with and hundreds of billions of dong worth of property have been recovered for the state. Party committee echelons and the local administrations and people have expressed their determination to fight corruption and smuggling and have assured that they will unfailingly check this bad practice. An Giang, a locality with a fairly good performance, is a case in point. In the past, An Giang has uncovered and dealt with 560 party cadres and members involved in corruption and smuggling activities and has investigated and taken legal actions against 327 cases involving 368 people (including one provincial standing committee member, three provincial party committee members, and 59 cadres either holding district- or corporation-level positions). As corruption normally involves many people and organizations, numerous cases have not been resolved radically and promptly.

[TAP CHI QUOC PHONG TOAN DAN] Dear comrade: The ills of corruption, smuggling, and negativism in society are as such. Do you have any ideas or observations about similar bad practices in the Armed Forces?

[Nguyen Thi Dinh] I think that the Armed Forces are not immune if they fail to actively prevent and fight these bad practices from within their very ranks. In reality, the Armed Forces have also been implicated in corruption and smuggling.

Worthy of note is that almost all of the officers and noncommissioned officers of the Hau Giang Traffic Police Office that have committed corrupt acts, and legal actions have been taken against the office chief—who is a major—and eight of his junior-grade officers. The 9th Military Region has also taken action against tens of its officers, from second lieutenants up to colonels, for having been involved in smuggling, corruption, or for having lent a helping hand to smugglers. For instance, they have used military vehicles and boats to help carry contraband or have allowed smugglers to borrow military vehicles' license plates for their cars. Of course, normally corruption and cases of smuggling in the Armed Forces are not sizeable. Efforts to uncover and deal with these cases have been strict, and there is no abetting nor complications as there has been in major corruption cases in civilian sectors.

[TAP CHI QUOC PHONG TOAN DAN] Dear comrade: Some people doubt that anticorruption will hardly produce the desired results because there are some sectors and individuals still immune to the law. Thus, what we have done so far amounts to "beating the corrupt only from his shoulder down." What do you think about this?

[Nguyen Thi Dinh] Personally, I think that such an observation is incorrect. Our party and state advocate that the fighting of corruption must be carried out drastically, and that there will be no exceptions for any persons whatever their positions. There are many cases that have been brought up by the press for years but which have still been left in limbo because of a lack of evidence. From what I know, our party has adopted within its internal ranks a very firm attitude against any party member found guilty.

[TAP CHI QUOC PHONG TOAN DAN] Dear comrade: given the existing corruption and smuggling situation, the results of the struggle against these bad practices obtained in the past have still been limited. According to you, what has caused this situation?

[Nguyen Thi Dinh] There are many reasons for this. But I think that the following four reasons can be cited:

First, determination is not high and legal actions are not strict. We are all aware that this is an urgent task aimed at purifying our ranks and enhancing the militancy of party organizations and the state apparatus for mutual benefits. We should strive to carry out this task resolutely and drastically. Yet, in reality, there have been many complex cases involving numerous organizations and individuals, where legal actions have not been taken high-handedly. Certain culprits have resisted the legal system fiercely. They have resorted to all means, such as seeking rescue from people who have provided them with "protective umbrellas." Slow legal actions have caused public indignation in many cases where criminal actions have been evident and where public views against this have repeatedly been aired. This has created conditions for the enemy to exploit the situation by claiming that we are incapable, so as to stir up the people's emotion against us. From this, skepticism and a lack of confidence in our judicial system have risen among a large number of people. Public indignation has also been aroused in those cases against which legal actions have been taken, but this has been done in too light, too unfair, or unjustifiable fashion.

Second, we have not closely linked anticorruption with antismuggling activities so as to achieve centralized, unified, and close guidance practical for each locality. Corruption and smuggling are two matters which, although having their own distinct characteristics, are bound together economically through the relations between social environments and cadres' qualities and between party members and state management organs. This is because smugglers have to rely on corruption for survival. They have resorted to various tricks such as ingratiating themselves into the favor of responsible officials by presenting them with gifts or offering them outright bribes. Meanwhile, corrupt officials have to abet smuggling so as to obtain bribes and gifts.

As a result, the struggle against corruption and the struggle against smuggling share the same objective of building and purifying party organizations and state agencies as well as of maintaining social order and safety. These struggles also serve as measures to control and review the quality of cadres and party members, especially those who have been entrusted with authority regardless of their levels and positions. In reality, however, we have provided separate guidances and formulated different measures to carry out these two struggles. For instance, in the struggle against smuggling, we have set up specialized agencies at the central, provincial, and district levels to supervise the implementation of tasks without proper coordination with the grass-roots level. It is necessary to say that the success of anticorruption and antismuggling depends chiefly on cooperation from the echelons of party committees and the local administration. It can be said that at present we have many agencies but we do not have a unified command—we have a large force, but it is not strong—while differences exist between agencies, between the central and provincial levels, and between specialized and administrative units.

On the contrary, in the struggle against corruption we shift the main responsibility to echelons of party committees and the administration in localities. The serious implementation of this task depends on the subjective factors of leading sectors, echelons, and localities. As a result, we scored limited achievements in anticorruption. Moreover, duplication still exists in the organization of specialized agencies, especially in coordination and division of function and authority. We have also applied different punitive measures against those involved in smuggling and corruption. (We arrested some, while we set the others free.) Some were tried by the court, while others were subjected to administrative action. We have also experienced complexities in the relations between the specialized agencies and the local administration, between sectors, and between the central and provincial level, and so forth.

Third, we lack a uniform measure for coping with the situation, and we have not brought the mass organizations' role into full play. Frankly speaking, we have talked much about anticorruption and antismuggling, but have done very little; even this has not been carried out decisively and urgently. The public has demanded that with the obvious cases, we should urgently investigate and try them to promptly recover state property. On many occasions, however, we failed to achieve this because we neither had a uniform measure nor a work agreement between responsible agencies. For this reason, the offenders have ample time to zigzag and disperse their property. Thus, finally, due to a lack of evidence, we end up accusing them only of being "irresponsible," which in reality is not so. Due to the unclear nature of certain crimes, in many cases only 20 percent of billions of dong of state property was recovered. (For this reason, some were put in jail but enjoyed their life because their relatives supplied them with all facilities they needed). In the four provinces I visited, each has a few major cases (involving billions of dong) that have been stalled pending court trial for several years.

All people are duty bound to participate in the struggles against corruption and smuggling, in which mass organizations play a very important role. If we fail to bring the mass orgazations' role into full play and receive no cooperation from the people, this task will meet no success. In reality, however, I have found that the role of mass organizations has not been optimally developed. Members of the Youth Union poorly participated in this task for fear of clashing with the authorities or losing their jobs. The Confederation of Vietnamese Workers [CVW] also had no share in this task because it has no authority. All authority rested with directors of companies (according to Decision No. 217-HDBT of the Council of Ministers). As a result, if these two major organizations do not participate in the struggle against corruption, little success will be attained. It can be said that if we fail to bring the masses' role into full play and fail to mobilize the people to participate in the struggles against corruption and smuggling, we will score a low result in this task no matter how large the contingent of cadres we have at hand.

Fourth, the professional level of agencies and cadres in charge is still inadequate, and there is a lack of sufficient ways and means to meet the requirements. Corruption and smuggling constitute a serious diaster. The schemes used by corrupt officials and smugglers are often very sophisticated.

This situation requires a very high level of professionalism on the part of agencies and cadres in charge of this task. Yet the truth is that their expertise is far below the required level. Due to a lack of economic, technical, and managerial skills, some cadres were unable to fully understand the schemes used by corrupt officials. (Actually, most of the cadres in charge of this task were not equipped with adequate knowledge of economic management.) That is why they often could not fulfill their tasks even though they possessed high determination and enthusiasm. This also explains why there have been cases of agencies trying to pass duties on to others, or of incidents involving suspects being detained beyond the permissible time limit instead of being brought before the court for trial due to a failure of those agencies in charge to complete the necessary paperwork.

Moreover, anticorruption, antismuggling forces are still not equipped with sufficient ways and means. There have been cases which needed a relatively large number of personnel and ample time to be resolved, but since the conditions were not met, investigation and settlement were limited, and at times, no full account of a criminal case was made, thus creating the opportunities for criminals to seek ways to plead not guilty....

[TAP CHI QUOC PHONG TOAN DAN] Judging from the above-mentioned situation, do you have any concrete proposals to make to the party and state?

[Nguyen Thi Dinh] I would like to contribute some suggestions as follows: First of all, it is necessary for the party and state to adopt prompt measures to change or amend mechanisms and policies to make them conform with new economic mechanisms and policies so as to prevent people from taking advantage of loopholes to engage in corrupt practices or smuggling activities, and also to create the legal bases for public security maintenance and law enforcement agencies to carry out their tasks.

At this point, I would like to call everyone's attention to the need to reconsider the functions, duties, and rights of the antismuggling task force. Recently, a number of localities suggested that the antismuggling task force be dissolved and that antismuggling, anticorruption operations be put under a uniform management system. Regarding the central level, the Council of Ministers shall provide direct guidance. As for the central sectors and administrative bodies at all levels, heads of sectors and chairpersons of people's committees at all levels shall directly oversee antismuggling, anticorruption operations with the help of the related law enforcement and socioeconomic management agencies. This is aimed at securing more concentrated and uniform guidance as well as closer control.

Second, steps must be taken to review organizational forms and supervisory and managerial measures so as to promptly adjust and perfect the organizational and supervisory work aimed at meeting the concrete requirements of the ongoing anticorruption, antismuggling struggle. As an immediate objective, it is necessary to review and promptly adjust the list of banned import goods as well as the import tax rates to be levied on consumer products currently being stranded at border gates or in the hinterland like boat engines, motorcycles (including motorcycles "already purchased and imported" but still held in stock), computers, canned beer, cigarettes..., bearing in mind the need to import a sufficient quantity of goods to meet the essential demands of production and daily consumption while at the same time creating the material conditions for promoting local production.

Resolute measures must be taken to ban those import goods which have already been produced locally. A uniform policy must be applied at border gates as well as in the hinterland. This is aimed at avoiding a situation in which certain goods are banned at border gates whereas the same kinds of goods are readily available for sale in the hinterland. Another option is to open the door to a limited quantity of import goods and then levy very high import taxes on them so as to limit consumption.

Third, the state and hierarchial management agencies should help provincial and district law enforcement agencies with adequate plans, staffing, and technical equipment and means so that they can improve their professional skills and fulfill their tasks. At the same time, steps must be taken to formulate policies on wages, cash awards, insurance, and work-related disability compensations for those in charge of anticorruption, antismuggling operations. This is aimed at encouraging cadres to set their mind at ease and make efforts to satisfactorily fulfill their tasks.

[TAP CHI QUOC PHONG TOAN DAN] Thank you, comrade.

Australia

Tensions Continue in Wake of Dili Massacre

Report Tracks 'Protest Ship'

BK1103014892 Melbourne Radio in English 0100 GMT 11 Mar 92

[Text] The Portuguese protest ship, the Lusitania Expresso, has abandoned its attempt to sail to East Timor. The ship is carrying students and activists who planned to lay wreaths at a cemetery in the capital, Dili, where Indonesian troops massacred demonstrators last November.

An Indonesian Navy commander ordered the ship to turn around soon after it had entered Indonesia's territorial waters. Lusitania Expresso's captain responded immediately. The Radio Australia correspondent on the ship, Mark Bowling, filed this report:

[Begin Bowling recording] [mostly indistinct order from Indonesian Navy commander] After those instructions, the captain of the Lusitania Expresso acknowledged the call and turned the (?track) and out of Indonesian waters.

The Lusitania Expresso was flanked by two Indonesian frigates which had shadowed the vessel all night. As the frigate moved into close range just after dawn, the crew of the frigates could be seen manning machinegun. Now the Lusitania Expresso is heading back into Australian waters and peace protestors aboard the ship have thrown wreaths overboard (?to one of) those who were killed in last November's Dili massacre. [end recording]

And in our report just at hand our Jakarta correspondent, Ian Macintosh, reports the Indonesian Navy is maintaining a close watch on the Portuguese protest vessel, the Lusitania Expresso, which has abandoned its attempt to reach East Timor.

[Begin Macintosh recording] The Indonesian Armed Forces spokesman, Brigadier General Nurhadi, said warships patrolling the waters off East Timor would remain on the alert in case the Lusitania Expresso attempted to resume its voyage to the province. He said the ship was being watched, but added we hope they leave the area freely and we will respect that.

Brig. Gen. Nurhadi said he was unable to give details of events prior to the ship's decision to turn back. [end recording]

Keating Visit To 'Offset Tension'

BK1103092592 Hong Kong AFP in English 0619 GMT 11 Mar 92

[Text] Canberra, March 11 (AFP)—Australian Prime Minister Paul Keating will visit Indonesia this year on his first overseas trip since taking office, it was announced here Wednesday.

The announcement by Keating's office was apparently timed to offset tension caused in part by an unsuccessful attempt by students to sail from Australia to East Timor to commemorate the victims of an Indonesian Army massacre there four months ago.

Indonesian Ambassador Sabam Siagian conceded in a radio interview Wednesday that the voyage of the "peace ship" Lusitania Expresso had raised "a bit of tension" between the two countries.

But both Siagian and Australia's acting foreign minister John Kerin sought to defuse tension, each praising the attitude of the other's government.

Siagian defended the action of the Indonesian Navy, which forced the ship to turn back towards the Australian port of Darwin soon after dawn on Wednesday.

"Fortunately the Australian Government has been quite clear that this kind of provocative action does not help the situation," Siagian said.

In future, he said, organisers of protests should "realise that this is not the way to handle the situation."

Kerin, deputising while Foreign Minister Gareth Evans is in Latin America, said Indonesia had "acted sensibly and responsibly."

Also speaking on ABC radio, he hinted that Australia had advance warning of Indonesia's action, saying:

"We were pretty well assured that what seems to be unfolding would unfold."

Describing the voyage as staged for the media, Kerin said it did not embarrass Australia, whose chief interest was to build good relations with Indonesia.

A spokeswoman in Keating's office said the prime minister would visit Indonesia "later this year".

She said no details were available on the date of the trip or of any other countries that might be visited.

Both sides, however, played down the significance of a document leaked to the media earlier this week recommending that Canberra distance itself from Indonesia's President Suharto because of alleged corruption in his family.

Keating said the document, dated 1988, was "out of date" and he did not endorse its conclusions.

While no formal reaction has come from Jakarta, embassy sources in Canberra have questioned the accuracy of the document and said it was regarded as an issue entirely for Australia.